BOARD OF TRUSTEES MEETING
Friday, December 16, 2016
8:00 a.m. – 1:00 p.m.
(Breakfast @ 7:15 a.m.)

Marriott Austin South
Lone Star Salon B
4415 S. IH-35
TAB 1
# Board of Trustees Meeting

**Friday, December 16, 2016**  
*Marriott Austin South*  
*4415 S. IH-35 Austin, TX 78744*  
*Lone Star Ballroom B*

## 7:15 – 8:00 a.m.  
**BREAKFAST BUFFET**

<table>
<thead>
<tr>
<th>TAB 1</th>
<th>Meeting Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>TAB 2</td>
<td>Attendee List</td>
</tr>
<tr>
<td>TAB 3</td>
<td>Speaker Biographies</td>
</tr>
<tr>
<td>TAB 4</td>
<td>Member Recognitions</td>
</tr>
</tbody>
</table>

## 8:00 – 8:15 a.m.  
**BUSINESS ITEMS**

- **Call to Order**  
  Fred Cerise, MD, MPH  
  Chair, THOT Board of Trustees  
  President/CEO  
  Parkland Health & Hospital System

- **Invocation**  
  Patricia A. Young Brown  
  Treasurer, THOT Board of Trustees  
  President/CEO, Central Health

- **Introductions and Comments by Chair**  
  Dr. Fred Cerise

- **Overview of Executive Committee Meeting**

- **Appointment of Jacob Cintron as THOT Executive Committee Treasurer**  
  [Action Item]

- **Comments by President/CEO**  
  Maureen Milligan  
  President/CEO, THOT

## 8:15 – 9:15 a.m.  
**Update from State Medicaid Director**  
Jami Snyder  
Associate Commissioner  
Medicaid/ CHIP Division  
Health and Human Services Commission

## 9:15 – 9:55 a.m.  
**HHSC Update: Hospital Financing**  
Pam McDonald  
Director, Hospital Rate Analysis  
Health and Human Services Commission
<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
<th>Presenter(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9:55 – 10:45 a.m.</td>
<td>THOT Board Discussion: A THOT Vision Through Healthcare Transition</td>
<td>Maureen Milligan, President/CEO, THOT, Bill Rago, THOT, Fred Cerise, MD, MPH, Chair, THOT Board of Trustees, Jacob Cintron, Member at Large, THOT Board of Trustees</td>
</tr>
<tr>
<td>10:45 – 11:00 a.m.</td>
<td>BREAK</td>
<td></td>
</tr>
<tr>
<td>11:00 – 11:50 a.m.</td>
<td>Update from Executive Commissioner</td>
<td>Charles Smith, Executive Commissioner, Health and Human Services Commission</td>
</tr>
<tr>
<td>11:50 a.m. – 12:30 p.m.</td>
<td>Legislative Update/ Upcoming 85th Legislative Session</td>
<td>Chris Traylor, Consultant, THOT, Rusty Kelley, Consultant, Blackridge, Micah Rodriguez, Consultant and Legal Counsel, Blackridge, Jessica Schleifer, Director of Advocacy &amp; Operations, THOT</td>
</tr>
<tr>
<td>12:30 – 12:45 p.m.</td>
<td>BUFFET LUNCH</td>
<td></td>
</tr>
<tr>
<td>12:45 – 1:00 p.m.</td>
<td>Executive Committee Reports</td>
<td>Dr. Fred Cerise, Patricia A. Young Brown, Treasurer, THOT Board of Trustees, President/CEO, Central Health</td>
</tr>
<tr>
<td></td>
<td>Approval of Board Minutes</td>
<td>Dr. Fred Cerise</td>
</tr>
<tr>
<td></td>
<td>FY 2017 Treasurer’s Report</td>
<td>Patricia A. Young Brown, Treasurer, THOT Board of Trustees, President/CEO, Central Health</td>
</tr>
<tr>
<td></td>
<td>Announcements and Adjourn</td>
<td>Dr. Fred Cerise</td>
</tr>
</tbody>
</table>
Board of Trustees Meeting Attendee List
Friday, December 16, 2016

**Austin**
Central Health
- Patricia Young Brown, President and CEO
- Katie Coburn, Manager Regional Healthcare Partnership
- Carol Saucedo, RHP 7-Program Specialist
- Perla Cavazos, Director of Government Affairs
- Larry Wallace, Interim President and CEO

Seton Healthcare Family
- Gregg Knaupe, Consultant
- Liz Johnson, Advocacy & External Affairs Consultant

The University of Texas System – Austin
- Leslie Carruth, Associate Vice Chancellor

**Corpus Christi**
CHRISTUS Spohn Health System
- Dominic Dominguez, Senior Vice-President of Group Operations
- Gabriela Saenz, VP Advocacy & Public Policy

**Dallas**
Children’s Health System of Texas
- Matt Moore, Vice-President, Government Relations

Parkland Health & Hospital System
- Dr. Fred Cerise, President and CEO
- Keri Disney-Story, Director Charge and Reimbursement Integrity
- Christina Mintner, VP & Anchor 115 Waiver
- Elisa Hernandez, Public Policy Administrator

The University of Texas Southwestern Medical Center
- Jenny Goerdel, Director of State Relations
- Angelica Hill, VP for Government Affairs

**El Paso**
University Medical Center of El Paso
- Jacob Cintron, President and CEO
- Michael Nunez, Chief Financial Officer

**Ft. Worth**
JPS Health Network
- Scott Rule, Vice President, Chief of Staff
- Vilma Luna, Consultant

**Galveston**
The University of Texas Medical Branch
- Lauren Sheer, Assistant VP Legislative Affairs
- Katrina Lambrecht, VP, Institutional Strategic Initiatives

**Houston**
Harris Health System
- Robert King Hillier, VP, Public Policy & Government Relations

The University of Texas M.D. Anderson Cancer Center
- Wes Duncan, Director for State Relations
- Mark Moreno, Vice-President for Governmental Relations

**Lubbock**
UMC Health System of Lubbock
- Bobby Hrncirik, Director, RHP 12
- Lois Wischkaemper, Senior VP & General Counsel

**Midland**
Midland Memorial Hospital
- Russell Meyers, President and CEO

**Odessa**
Medical Center Health System
- Jon Riggs, Sr. VP/Chief Financial Officer

**San Antonio**
University Health System
- George Hernandez, President and CEO
- Reed Hurley, Executive VP & CFO
- Bill Bedwell, Executive Director of Reimbursement
- Joe Garcia, Consultant

**Tyler**
UT Health Northeast
- Kirk Calhoun, President
- Kimberly Ashley, Executive Director of University and Community Affairs
- Daniel Deslatte, VP, Planning & Public Policy
Invited Guests

- Charles Smith, Executive Commissioner, Texas Health and Human Services Commission
- Pam McDonald, Director of Rate Analysis, Texas Health and Human Services Commission
- Ardas Khalsa, Deputy Medicaid CHIP Director, Healthcare Transformation Waiver, Texas Health and Human Services Commission
- Jami Snyder, Associate Commissioner, Medicaid/CHIP Division, Texas Health and Human Services Commission

THOT

- Maureen Milligan, President and CEO
- Jessica Schleifer, Director of Advocacy & Operations
- Stephanie Hall, Director of Communications & Member Relations
- Rusty Kelley, Blackridge
- Micah Rodriguez, Blackridge
- Chris Traylor, Consultant
- Bill Rago, Consultant
- Chris Dockal, Consultant
Ardas Khalsa
Deputy Medicaid CHIP Director
Healthcare Transformation Waiver
Health and Human Services Commission

Ardas Khalsa is the Deputy Medicaid CHIP Director for the Healthcare Transformation Waiver at the Texas Health and Human Services Commission. She began this role in August 2014 and has worked with the Waiver since June 2012. The Waiver unit implements the Delivery System Reform Incentive Payment (DSRIP) program that is part of the Texas Medicaid Healthcare Transformation and Quality Improvement 1115 Waiver.

Ardas has served in various state-level positions with Texas health and human services for over 12 years, including as the Director of Healthcare Delivery Redesign at the Texas Department of State Health Services.

She also has extensive experience at the local level, including behavioral health systems of care, literacy education, and social services.

Ardas holds a Bachelors Degree in Political Science and German from Berry College in Georgia and a Masters of Social Work Administration from the University of Texas at Austin.
Executive Commissioner Charles Smith  
Texas Health & Human Services Commission

Charles Smith was selected by Gov. Greg Abbott to serve as the Texas Health and Human Services Executive Commissioner for the Health and Human Services Commission effective June 1, 2016. Smith most recently was the Health and Human Services chief deputy executive commissioner. During his tenure at HHSC, Smith has worked to improve the agency's efficiency and accountability to Texas citizens.

Smith previously served as deputy for child support at the Office of the Attorney General from 2013-2015. He was responsible for the overall delivery of child support services performed by the division’s 2,700 employees. Smith began his career in the Attorney General’s office as a volunteer in the Child Support Division in 1988 and attained positions of increasing responsibility during his 26-year career within the division. Smith served as the division’s deputy director from 2004-2013 overseeing field operations. During Smith’s tenure, he led the division’s transformation to become the top-rated child support program in the nation.

His work in this area has earned him multiple awards throughout his career, and under Smith’s leadership the Texas Child Support Division was recognized as the most efficient and effective program in the nation for two years in a row.

Smith is a graduate of Texas Tech University.
Jami Snyder
Associate Commissioner
Medicaid and CHIP Services Department
Health and Human Services Commission

Jami Snyder is the Associate Commissioner for the Medicaid and CHIP Services Department at the Health and Human Services Commission, and serves as the state's Medicaid director. Jami most recently served as Chief Deputy Director for Medicaid and CHIP for HHSC. Prior to that, she served as the Chief Operating Officer for The University of Arizona Health Plans (UAHP), a division of Banner Health. She has over 18 years of experience in both the public and private sectors, including extensive regulatory experience stemming from her tenure with the Arizona Health Care Cost Containment System (AHCCCS) and the Arizona Department of Health Services, where she was charged with overseeing the state's Medicaid-contracted health plans, including compliance with established federal and state managed care regulations and performance in a variety of areas such as network sufficiency, payment modernization, customer service and the provision of self-directed care. Snyder graduated from Gustavus Adolphus College with a Bachelor of Arts in Political Science and has a Master of Arts in Political Science from Arizona State University.
Pam McDonald
Director of Rate Analysis
Texas Health & Human Services Commission

Pam McDonald has been the Director of Rate Analysis at the Texas Health and Human Services since November of 2011. Pam has held various positions within HHSC Rate Analysis since 1989, including Director of Rate Analysis for Long Term Services and Support from 2007 to 2011.

Pam is the proud mother of 17-year old triplets and a recent graduate from UC Berkeley. She holds a B.A. from Reed College in International Studies and a master’s degree in Public Affairs from the LBJ School of Public Affairs at UT Austin.
TAB 4
CHRISTUS HEALTH

• CHRISTUS Spohn NICU Recognized for Patient Experience Excellence
  The CHRISTUS Spohn Neonatal Intensive Care Unit has received its highest honor from the families of its tiniest patients. CHRISTUS Spohn Hospital Corpus Christi-South has been given the 2016 Press Ganey Guardian of Excellence Award after the Level III NICU received 95 percent or higher patient satisfaction scores the past year.

  The 2016 Press Ganey Guardian of Excellence Award is a nationally-recognized symbol of achievement in health care. Presented annually, the award honors clients who consistently sustained performance in the top 5% of all Press Ganey clients for each reporting period during the course of one year. CHRISTUS Spohn presented the award to NICU Associates during a special recognition event to say thank you for their commitment to compassionate care.

  CHRISTUS Spohn’s Level III NICU features board-certified neonatologists and neonatal nurse practitioners available 24/7 to manage any complications with premature or critically-ill newborns. The hospital also includes the NICU Transport Team – a highly-skilled provider, nursing, and respiratory medical team to manage transports for critically ill infants from any regional facility.

  Recently, NICU Associates were reunited with their patients and families during the annual NICU Reunion at CHRISTUS Spohn Hospital Corpus Christi-South. The fairytale-themed event saw dozens of children enjoy games, prizes and fellowship with the nurses who once cared for them. It’s a celebration of life and special reminder of the miracles that take place each day in the CHRISTUS Spohn NICU.

Parkland Health & Hospital System

• Parkland Health & Hospital System received a Press Ganey Community Response Award at Press Ganey’s annual National Client Conference held Nov. 2-4, 2016 in Orlando, FL in recognition of its response to the July 2016 Dallas police shootings. The award acknowledges healthcare organizations that respond with high quality, patient-centered care during times of crisis while safeguarding the welfare of staff and caregivers and providing resources to the community at large.

• Parkland Memorial Hospital has been named one of the 50th Greenest Hospitals in America by Becker’s Hospital Review. Hospitals recognized have a variety of programs and initiatives in place to reduce their waste output, energy consumption, water use and general environmental footprint. Becker’s Hospital Review previously published a version of this list in 2013 and 2015. The Becker’s editorial team selected hospitals for inclusion based on
nominations and editorial research, looking for hospitals that have received awards or designations from organizations like Practice Greenhealth, the U.S. Environmental Protection Agency, the American Society for Healthcare Engineering and the U.S. Green Building Council.

• **American College of Surgeons NSQIP® recognizes Parkland for meritorious patient outcomes:** The American College of Surgeons National Surgical Quality Improvement Program (ACS NSQIP®) has recognized Parkland Health & Hospital System as one of 60 ACS NSQIP participating hospitals that have achieved meritorious outcomes for surgical patient care. As a participant in ACS NSQIP, Parkland is required to track the outcomes of inpatient and outpatient surgical procedures and collect data that directs patient safety and the quality of surgical care improvements. The ACS NSQIP recognition program commends a select group of hospitals for achieving a composite meritorious outcome related to patient management in eight clinical areas.

• **The staff of Parkland Memorial Hospital’s Emergency Department and Rees-Jones Trauma Center have received the 2016 Texas Preparedness Leadership Award for “Outstanding Service in Response to the 2016 Dallas Police Shootings.”** The award is given annually in recognition of exceptionally meritorious achievements in local, regional or state Public Health Emergency Preparedness and Healthcare Systems Preparedness Programs or for meritorious service in a disaster or public health emergency. The award was presented at the 2016 Preparedness Coalition Symposium held Oct. 12-14 in Galveston. It honors leadership in creative work of effectiveness or innovation in advancing Texas public health and/or healthcare systems preparedness knowledge and practice.

• **D CEO Magazine 2016 Excellence in Healthcare Award for Achievement in Wellness Programs recognized the Global Diabetes Program at Parkland Health & Hospital System, led by Luigi Meneghini, MD, MPH, for its notable achievements in combating the epidemic of diabetes in Dallas County and improving access to multidisciplinary care for diabetes patients.**

• **Parkland Memorial Hospital is one of only 42 hospitals nationwide and one of three in the Southwest Affiliate to receive the American Heart Association (AHA) Mission: Lifeline Hospital Non ST-Elevation-Acute Cardiac Syndrome (NSTE-ACS) Early Adaptor Award.** The award was presented to Parkland at the American Heart Association/American Stroke Association Scientific Sessions on November 14, 2016 in New Orleans, LA. To be eligible for Mission: Lifeline recognition, hospitals must participate in the approved Mission: Lifeline data registry, ACTION Registry®-GWTG™, and receive quarterly Mission: Lifeline reports. Hospitals that met the criteria and achievement measures with 85 percent compliance in the first two calendar quarters of 2016 were awarded a one-time, Mission: Lifeline NSTE-ACS Early Adopter award. Percentage of patients hospitalized with NSTE-ACS who were referred to an early outpatient cardiac rehabilitation/secondary prevention program.
Harris Health System

- **Two Harris Health System Rehab Workers Receive State Awards**
  Kelly Parmet, occupational therapist assistant, and Catherine Graves, a registered occupational therapist, at Harris Health System, received statewide honors from the Texas Occupational Therapy Association. Parmet was named Certified Occupational Therapist Assistant of the Year for 2016 and Graves received the Horizon Award, both recognitions highlight the duo’s professionalism, leadership and service to the profession.

- **Two Harris Health Nurses Listed Among Top 20 in Houston**
  Two Harris Health System nurses are among the 20 Outstanding Nurses for 2016, an award given by the Texas Nurses Association, District 9. The pair joins honorees nominated by peers and coworkers as exemplary registered nurses from greater Houston. Matthew Schlueter, chief nursing officer, Ben Taub and Quentin Mease hospitals, and Rosalyn Jones-Waters, nursing clinical manager, Oncology, Ben Taub Hospital, were recognized during a November dinner and award ceremony.

- **Harris Health System Hosts Annual Breast Cancer Survivors Luncheon**
  Harris Health System hosted nearly 310 breast cancer survivors, family members, friends and medical staff at its 2016 Annual Breast Cancer Survivors Luncheon Celebration on Oct. 28. The event unites patients successfully treated at Harris Health’s facilities of Ben Taub Hospital, Lyndon B. Johnson Hospital and Smith Clinic. Dr. Alyssa Riever, Chief of Medical Oncology of Lyndon B. Johnson Hospital and associate professor at Department of General Oncology at MD Anderson Cancer Center, was the featured speaker.

- **Harris Health System’s LBJ Hospital Again Earns Nursing’s Pathway to Excellence®**
  Harris Health System’s Lyndon B. Johnson Hospital has received its nursing re-designation as a Pathway to Excellence® hospital awarded by the American Nurses Credentialing Center. There are only 147 such designated hospitals nationwide. The designation is a prestigious recognition awarded to hospitals that offer robust work environments for nurses and tout high nursing satisfaction rates. Through an in-depth survey, nurses at LBJ Hospital have rated it among the best places to work.

- **Ben Taub Hospital ICU Nurse/Olympian Gets Good Samaritan Foundation Award**
  Mark Barr, RN, trauma surgical ICU, Ben Taub Hospital, was named the 2016 Gold Medalist for Excellence in Nursing from the Good Samaritan Foundation. Nurses are nominated by their peers for their passion, leadership, mentorship and service to the Houston community. All nominations are reviewed and scored by a distinguished selection committee from clinical leaders in the Texas Medical Center. This summer, Barr also traveled to Rio de Janeiro to compete in the 2016 Paralympic Games. Barr competed on the U.S. Paratriathlon Team and finished fourth overall.
• **Harris Health System Achieves “Most Wired” for Sixth Consecutive Year**
  For the sixth year in a row, Harris Health System earned “Most Wired” recognition as announced by the American Hospital Association’s Hospitals & Health Networks magazine. This year, Harris Health is one of 17 hospitals in Texas and four healthcare systems in greater Houston to be recognized as Most Wired.

### John Peter Smith Health Network

#### Comprehensive (Level 1) Stroke certification

JPS Health Network is now a Comprehensive Level I Stroke Center, certified and designated by the State of Texas to provide the highest quality of care available for stroke patients, praised as the “best prepared” new Level I program inspectors have ever inspected.

JPS is Tarrant County’s only Level I Trauma Center and now has Level I designation for stroke, signifying that John Peter Smith Hospital has the resources and procedures in place to treat all strokes, even those requiring intricate vascular surgery inside the brain.

Surveyors praised both stroke-specific processes and protocols, and the network’s culture. It was obvious, they said, that JPS team members “hyper-love what they do.” In every unit, they inspected, “the excitement and pride were palpable.”

JPS was surveyed over two days in August by a team from DNV, an independent accrediting organization that certifies hospitals according to their capabilities. Surveyors reviewed patient outcomes and procedures, and inspected all areas of the hospital involved in caring for stroke patients, including the Emergency Department, Radiology, Invasive Labs, Physical Therapy and various nursing units.

Once accredited as a Comprehensive Stroke Center, JPS was designated Level I by the Texas Department of State Health Services, which oversees a statewide trauma systems network intended to ensure that patients are transported to the hospital best equipped to care for them. The two-year certification was awarded on Oct. 1, 2016.

#### JPS employee engagement among top in the nation

Ninety-one percent of JPS’ more than 6,500 employees participated in the 2016 Employee Engagement Survey conducted by Press Ganey, besting the national average participation rate of 70 percent. Additionally, the network’s engagement score of 4.29 on a 5-point scale places JPS in the 84th percentile of hospitals nationally.

Happy employees mean satisfied patients, and JPS was the recipient of the NRC 2016 Excellence Award: Overall Hospital Rating - Large Hospitals - Most Improved Facilities.
The University of Texas MD Anderson Cancer Center

- **MD Anderson Cancer Center, UT Health Northeast announce affiliation**
  UT Health Northeast in Tyler and The University of Texas MD Anderson Cancer Center in Houston recently announced a partnership to provide greater access to the most advanced cancer care available for adult patients in northeast Texas and the surrounding region. Through this partnership, UT Health Northeast’s Cancer Treatment and Prevention Center joins MD Anderson Cancer Network®, an international collaboration of hospitals and health systems that share and contribute to MD Anderson’s mission to end cancer. The center in Tyler will be known as UT Health Northeast MD Anderson Cancer Center when it officially launches in 2017.

- **Leading expert in childhood cancer named head of Pediatrics**
  Richard Gorlick, M.D., an internationally recognized expert in pediatric oncology and hematology, has joined MD Anderson Children’s Cancer Hospital as the division head and department chair of Pediatrics. For more than two decades, his research and clinical efforts have focused on sarcomas, tumors that grow in connective tissues including the bones, muscles, tendons and cartilage. Gorlick’s laboratory focuses on targeted therapies, new drugs for childhood cancers and understanding the mechanisms behind the development and progression of osteosarcoma, the most common form of childhood bone cancer.

- **7 MD Anderson faculty elected as AAAS Fellows**
  In recognition of wide-ranging contributions to the fields of cancer prevention, patient care, and basic, translational, and clinical research, seven faculty members from MD Anderson Cancer Center have been named Fellows of the American Association for the Advancement of Science (AAAS).

  MD Anderson’s faculty now includes 40 AAAS Fellows. The newly elected fellows are Ralph B. Arlinghaus, Ph.D., professor of Translational Molecular Pathology; Powel H. Brown, M.D., Ph.D., chair of Clinical Cancer Prevention; Junjie Chen, Ph.D., chair of Experimental Radiation Oncology; Andy Futreal, Ph.D., chair of Genomic Medicine; Eugenie S. Kleinerman, M.D., professor of Pediatrics; Jeffrey N. Myers, M.D., Ph.D., professor of Head and Neck Surgery; and David J. Tweardy, M.D., professor of Infectious Disease and division head of Internal Medicine.

- **MD Anderson’s 75th anniversary celebration raises nearly $15 million**
  Cancer survivors, families and friends of MD Anderson Cancer Center gathered in the heart of the Texas Medical Center in November to celebrate MD Anderson’s 75th anniversary. The week-long celebration, which paid homage to the institution’s faculty, staff, patients, survivors, volunteers and supporters, raised nearly $15 million to support MD Anderson’s mission to end cancer.
Some 2,000 guests, including dignitaries from around the world, such as Vice President Joe Biden and former President George H.W. Bush, attended a sold-out gala that raised nearly $14 million, and the inaugural Boot Walk to End Cancer™, a 1.2-mile walk to “give cancer the boot,” drew approximately 7,000 cancer survivors, families and friends and raised more than $881,000.

- **Bringing more access to advanced cancer care to San Antonio**
  The University of Texas Health Science Center at San Antonio and The University of Texas MD Anderson Cancer Center are announcing an affiliation to create a comprehensive and clinically integrated cancer care program in San Antonio.

  Beginning in mid-2017, the UT Health San Antonio MD Anderson Cancer Center will provide adult cancer patients in South Texas greater access to the most advanced oncology care available.

  Through this affiliation, the Cancer Therapy & Research Center (CTRC) of the UT Health Science Center will collaborate as part of MD Anderson’s international network of hospitals and health care systems dedicated to ending cancer globally. The affiliation will build on MD Anderson’s world-class knowledge and capabilities along with the UT Health Science Center’s expertise and renowned Institute for Drug Development to benefit patients in the 38 South Texas counties served by the UT Health Science Center.

- **Testing a drug that starves cancer cells to death**
  The first clinical study of a new drug designed to kill cancer cells by depriving them of the nutrients they need to survive is underway at MD Anderson. Named after MD Anderson’s Institute for Applied Cancer Science (IACS) where it was developed, IACS-10759 blocks the conversion of nutrients into the energy that fuels cancer cells.

  The study will enroll up to 48 patients with acute myeloid leukemia (AML) and is supported by a $3.5 million investment from The Leukemia & Lymphoma Society’s (LLS) Therapy Acceleration Program®.

- **Mastectomy plus reconstruction riskiest, costliest treatment option**
  Mastectomy plus reconstruction for patients with early-stage breast cancer is significantly riskier and costlier than other less-invasive options, MD Anderson researchers have found. Their study, published in the Journal of the National Cancer Institute, is the first to break down the complication rates and costs for breast cancer treatment options.

  Women with early-stage breast cancer have a number of treatment options, including lumpectomy plus whole-breast irradiation, lumpectomy plus brachytherapy, mastectomy alone, or mastectomy plus reconstruction, or in older women, lumpectomy alone. These therapies
offer equal survival profiles, according to the study, but differ greatly in terms of what the patient endures.

The University of Texas Medical Branch

- **UTMB’s Dr. Elena Volpi receives $2.7 million for muscle loss research from the National Institute on Aging.** The $2.7 million grant from the National Institute on Aging will fund a five-year project that will identify the mechanisms that can accelerate loss of muscle size, strength and physical function in older adults with Type 2 diabetes and those who have been hospitalized.

About one-third of older Americans have Type 2 diabetes, and about one-third of the hospitalizations in the U.S. involve persons older than 65. Volpi’s project will study how diabetes and inactivity impact muscle growth and loss in older adults. She will study how diabetes and bed rest inactivity change the way amino acids are used to build muscle and how exercise training can mitigate these changes.

- **UTMB receives a $3.07 million grant from the NIH to implement a school-based healthy relationship program in Houston-area schools.** This $3.07 million grant will be used to evaluate a program designed to help teenagers learn ways to resolve conflicts, better ways to deal with peer pressure and prevent violence.

Jeff Temple, a psychologist at UTMB, will lead the study that will be conducted in Houston-area middle schools. The study calls for a rigorous evaluation of a new and enhanced version of “Fourth R,” a program previously shown to be effective in reducing risky behaviors among high school students.

The Fourth R integrates the promotion of healthy relationship skills and prevention of dating violence into existing school curricula. Similar to teaching the traditional “Reading, (w)Riting and (a)Rithmetic,” the Fourth “R” (for Relationships) uses guided lessons, role-playing exercises and homework to build healthy relationship skills.

The program’s components align with state and federal curriculum requirements in health and can easily be integrated into existing school curricula, thus minimizing time and financial burdens placed upon resource-strapped schools.

Each year, around 25 percent of U.S. teens experience physical, psychological or sexual abuse by dating partners. Many victims of dating violence experience a host of negative consequences, including mental and physical health problems, risky sexual behavior, substance use, academic problems in school, increased risk of suicide and problems in future relationships.
• **UTMB Receives Grand Challenges Explorations Grant for Groundbreaking Research in Global Health and Development.** The University of Texas Medical Branch at Galveston recently announced that it is a Grand Challenges Explorations winner, an initiative funded by the Bill & Melinda Gates Foundation. The $100,000 grant will help Alejandro Castellanos-Gonzalez, assistant professor at UTMB, and his team pursue an innovative global health and development research project aimed at defining targets for drug development against a diarrhea causing parasite.

Diarrhea kills approximately 2,000 children every day, and is the second leading cause of death among children under the age of 5, Castellanos-Gonzalez said.

Recent studies have indicated that the infection caused by the intestinal parasite Cryptosporidium is one of the most prevalent causes of diarrhea in the world. There are no optimal treatments against this parasite and the scientific community has concluded that one of the bottlenecks for the development of novel drugs against this parasite is the lack of genetic methods to study the function of potential drug targets in this microorganism.

Castellanos-Gonzalez has developed a novel method to silence genes in Cryptosporidium by using complexes of protein with slicer activity and small interfering RNA. In this project, Castellanos-Gonzalez’s research team will identify and validate targets in Cryptosporidium with the objective of defining the optimal targets for drug development against this debilitating parasite.

• **UT Regents approve Permanent University Fund (PUF) proceeds for Behavioral Health Treatment, Research, and Education Center.** $15 million in PUF funding will be allocated to UTMB to help build a 33,000-square foot facility that will house education, research and treatment services focusing on mental health. The facility, projected to cost $30 million, will help address the current crisis-level shortage of mental health providers in Texas and an inadequate pipeline of providers-in-training to care for existing and future needs.

• **Professor Kenneth Ottenbacher has been appointed to a five-year term to serve on the National Institutes of Health National Advisory Board on Medical Rehabilitation Research in the Eunice Kennedy Shriver National Institute of Child Health and Human Development.**

• **Jim LeDuc, director of the Galveston National Laboratory, has been appointed to serve a three-year term on the Board of Scientific Counselors for the Office of Infectious Diseases at the Centers for Disease Control and Prevention.**
• On November 10, 2016, The University of Texas System Board of Regents approved $30 million in Permanent University Funds (PUF) for construction of a three-story building for the new School of Community and Rural Health on the UT Health Northeast campus. The facility will be as large as 90,000 square feet and will include space for classrooms, offices, and administration. It is targeted to be completed approximately 18 months after construction begins.

• In October 2016, Dr. Kirk Calhoun was named to the Board of the Association of American Medical Colleges (AAMC). Governed by a 17-member Board of Directors, the members of the AAMC comprise all 147 accredited U.S. and 17 accredited Canadian medical schools; nearly 400 major teaching hospitals and health systems, including 51 Department of Veterans Affairs medical centers; and more than 80 academic societies. Through these institutions and organizations, the AAMC serves the leaders of America’s medical schools and teaching hospitals and their nearly 160,000 faculty members, 83,000 medical students, and 115,000 resident physicians.

• Prabodh Kapoor, PhD., has received the “UT System Rising STARS Award” and the Cancer Prevention Research Institute of Texas “First Tenure Track Investigator Award” to support his work at UT Health Northeast. Working with Dr. Mitsuo Ikebe as an assistant professor of cellular and molecular biology, Dr. Kapoor’s research is focused on understanding how cancer cells move at the molecular level when they spread.

• Angela Nicole Cade, MD, FAAFP, a family physician at the UT Health Northeast Lindale Clinic, has achieved the Degree of Fellow of the American Academy of Family Physicians (AAFP), the national medical association representing nearly 124,900 family physicians, residents and medical students. Established in 1971, the AAFP Degree of Fellow recognizes family physicians who have distinguished themselves through service to family medicine and ongoing professional development. This year’s fellowship class brings the total number of AAFP Fellows to more than 14,000 nationwide.

• Dr. Joxel Garcia, the physician leading MD Anderson Cancer Center’s Moon Shots Program, was the featured speaker at UT Health Northeast’s 2016 Cancer Conference in early December. Dr. Kirk Calhoun, president of UT Health Northeast, was pleased to have Dr. Garcia as one of the key speakers at this conference, as “Dr. Garcia is leading the cancer control and prevention charge and will offer insight into what his team’s efforts at MD Anderson and other locations across the country are hoping to achieve.”

• UT Health Northeast participates in the PfP initiative in partnership with Vizient’s Hospital Engagement Network (HEN) which is comprised of 243 hospitals across the country. The Partnership for Patients (PfP) is a federal priority initiative led by the Centers for Medicare and Medicaid Services (CMS) to reduce rates of hospital acquired conditions and infections as well as reducing all cause, 30-day readmissions. Specifically, the PfP goals are to
reduce all cause preventable harm by 40% and readmissions by 20%. **UT Health Northeast has achieved an Outstanding Performer award**, the highest level of performance in Vizient’s HEN, that recognizes our efforts toward achieving Safety Across the Board. **Two additional recognitions were presented to UT Health Northeast: 1) Performance Achievement and 2) Outstanding Commitment to the Vizient HEN.** These two awards demonstrate UT Health Northeast’s commitment to helping reduce patient harm while fundamentally changing how care is delivered.

**The University of Texas Southwestern Medical Center**

- **For the sixth year, UT Southwestern has received awards from Press Ganey, which partners with more than 22,000 health care facilities to measure and improve patient experience and quality of care.**

Zale Lipshy University Hospital received the Pinnacle of Excellence Award in Patient Experience for maintaining consistently high levels of excellence over multiple years in inpatient care and the Guardian of Excellence Award in Quality for reaching the 95th percentile of clients for patient experience, employee or physician engagement, or clinical quality performance. Finally, UT Southwestern, along with Parkland Health and Hospital System, received the Community Response Award for caregivers who rise to the occasion during times of crisis and support their communities during difficult times.

- **Screening 8,000 mice for sleeping disorders, UT Southwestern researchers discovered the first two core genes that regulate deep sleep and dreaming.**

The screening led Dr. Joseph S. Takahashi, Chairman of Neuroscience with the O'Donnell Brain Institute and Investigator in the Howard Hughes Medical Institute, to discover one mouse, Sleepy, who had 50% more non-REM sleep than normal mice that was caused by a genetic mutation and another mouse, Dreamless, who was severely deficient in REM sleep due to a genetic mutation. Researchers then introduced the same mutations into mice and found the patterns adjust accordingly. The novel discovery could lead to finding other genes related to sleep and/or used to help regulate sleep in the future.

- **By lowering the oxygen levels available in the atmosphere similar to what would be found at Mount Everest UT Southwestern researchers discovered heart cell regeneration is possible in mice.**

As described in the October 31, 2016, publication of Nature, Dr. Hesham Sadek, the associate professor of internal medicine at the Hamon Center for Regenerative Science and Medicine, and his team gradually lowered the oxygen levels for the mice and two weeks later, cells in the heart muscle began to divide and grow. This reduction to 7 percent oxygen resulted in
increased heart function which the team hope translates into the same after one suffers from a heart attack.

University Health System – San Antonio

- **University Health System is a recipient of an American Heart Association / American Stroke Association Get With The Guidelines Stroke Gold Plus and Target: Stroke Elite Plus Award.** At the Gold level, the University Hospital team has achieved and sustained 85% or higher adherence in the 7 ‘Achievement’ measures. The Plus level indicates reaching at least 5 of the ‘Quality’ measures at 75% or higher, and the Target: Stroke Elite Plus Honor Roll is added for sustaining a Time to Thrombolytic of <60minutes at least 75% and <45minutes at least 50% of the time, for two calendar years.

- **University Hospital has received an American Heart Association Mission: Lifeline award** for our success and commitment to ensuring that patients suffering from ST Elevated Myocardial Infarctions (STEMI heart attack) rapidly receive evidence-based interventions.

- **University Health System President/CEO George B. Hernández, Jr. is the 2016 recipient of the State Bar of Texas’ Hispanic Issues Section Reynaldo G. Garza Lifetime Achievement Award.** This honor recognizes Mr. Hernández’s tireless efforts and continued contributions to the improvement of healthcare for the Hispanic community.

- **University Health System is ranked by U.S. News & World Report as Best Hospital in San Antonio, number six in Texas, and in the Top 50 nationally for Gynecology and Nephrology.**

- **University Hospital is South Texas’ first and only Level I Pediatric Trauma Center verified by the American College of Surgeons.** There are now five Level I pediatric trauma centers in Texas.

- **For the eighth time, University Health System been named one of the nation’s Most Wired Hospitals and Health Systems by Hospitals & Health Networks magazine.**

- **For the seventh time, University Health System has been selected as an ATD BEST Award winner.** BEST organizations leverage the talent development function as a strategic business partner to achieve enterprise-wide success; they create, support, and champion learning opportunities and a learning culture.

- **University Health System has earned the top level of Platinum in the U.S. Department of Health and Human Services’ National Organ Donation Employee Campaign.** The campaign challenges hospitals to educate their staff about organ, eye and tissue donation. Points are awarded for each awareness event and donor registration drive.
• The Texas Diversity Council recognized University Medicine Associates (UMA), University Health System’s nonprofit provider group, with a 2016 Excellence Award for Healthcare Diversity. UMA is being honored for continuing to move diversity and inclusion forward by promoting the importance of living a healthy lifestyle throughout Bexar County’s diverse communities.

• University Health System’s new website received a Gold Best Site Design Award at the 20th Annual Healthcare Internet Conference in Las Vegas. UniversityHealthSystem.com was completely redesigned on the innovative Sitecore content management system in late 2015.

**University Medical Center Health System – Lubbock**

• 2017 Best Companies to Work For in Texas (6th year in a row – rank unknown at this point)

• Accredited Center for Bariatric Surgery

• Certified Level II Pediatric Trauma Center

• Re-certified Primary Stroke Center

• Certified VAD Center (Ventricular Assist Devices implanted at UMC in 2016 – 6 to date and more than 10 implantations pending)
THOT Board Meeting
December 16, 2016
Assessing THOT Strategies in a new Administration

CMS Nominee: Seema Verma
Outline:

1. What changes are under discussion:
2. What it might mean:
   • More competition for funding; More emphasis on value (cost and outcomes).
   Discussion: Dr. Cerise, Jacob Cintron
3. Preliminary Strategies: Advocacy, Proposals & Responses
   -------Discussion--------
Summary of 5 Principals Ryan’s Plan Calls For:

• Repeal Obamacare
• Provide all Americans with more choices, lower costs, and greater flexibility
• Protect our nation’s most vulnerable
• Spur Innovation in health care
• Protect and preserve Medicare
Plan Calls for “Making Support for Coverage Portable”
- For those who don’t have access to employer-based coverage, Medicare, or Medicaid this plan provides a universal advanceable, refundable fixed tax credit for individuals and families.
- Portable payment would be available at the beginning of every month; would be adjusted for age.
- If the recipient selected a plan that is less expensive than the credit, the difference would be deposited into an HSA like account for use towards other expenses.

Plan calls for “Protecting and Strengthening Coverage Options”
- Continuation of some Pre-existing Condition Protections
- Continuation of dependent coverage up to 26yr.
- Continuation of ban on rescissions
- Set default age-rating ratio to five to one (current ratio is 3 to 1)
- At least $25 billion for both State Innovation Grants and Dedicated Funding for high-risk pools.
Plan calls for Medicaid Reform - Provides choice for states of either a per capita allotment or a block grant

- **Per Capita**
  - Available in 2019 – Based on state’s per capita allotment of 4 major beneficiary categories – aged, blind and disabled, children, and adults.
  - The per capita allotment for each category = state’s average medical assistance and non-benefit expenditures per full year equivalent enrollee during the base year of 2016, adjusted for inflation.
  - DSH, GME, etc. would be excluded from the allotment and calculated through a separate funding stream.
  - Plan allows work requirements, premiums or limited benefits for able-bodied adults in Medicaid

- States that have not expanded Medicaid as of January 1, 2016, would not be allowed to do so under the per capita allotment.

- State’s enhanced FMAP for its expansion population would be phased down to the state’s normal FMAP starting in 2019.

Limits Waiver ability of Sec. of HHS to provide federal funding for state programs on “cost not otherwise match able.” Grandfather successful waivers for managed care if they were renewed twice, and allow states to fold such waivers into their state plan and no longer seek renewal.
Plan calls for Medicaid Reform - Provides choice for states of either a per capita allotment or a block grant

Block Grant

- Funding would be determined using a base year in a manner that would assume states transition individuals currently enrolled in Medicaid expansion into other sources of coverage.
- Designation on how funds are spent would be left up to the state.
- States would be required to provide services to the most vulnerable elderly and disabled individuals who are described as mandatory populations under current law.
Medicaid

- Under block grant or Per Capita: less funding
- Increased competition for payers on value: within provider types and between provider types
- Increased competition for insured patients: on satisfaction and quality
- Capacity needed to provide Value-Based Care with Alternative Payment Methodologies
  - Will “Public Good” services and costs make THOT members less competitive? (GME, Trauma?)
  - Increased focus on value added & efficiency
  - Will systematic bias (e.g., sociodemographics) & patient complexity hinder THOT competitiveness?
  - Given a choice in private marketplace,
    - Will patients choose essential hospitals?
    - Will HMOs include essential hospitals?
Uninsured

- Lost opportunity to cover Texas uninsured without ACA?
- Tax subsidies for Texas’ low income uninsured – private market access. (See competition challenges**)
- Will Texas’ individual market be able to provide affordable insurance?

Uninsured Texans
4.6 million
17.1%

Tax Subsidy
Insurance Voucher?

TexCARE?
Discussion

Dr. Cerise ---

Jacob Cintron ---
Preliminary Strategies: Highlighting Unique Contributions

Mission includes Broad & Underfunded Public Benefits:

- Care for Vulnerable Populations (Uninsured, Payer mix)
- Trauma and Disaster Preparedness; and Public Health Research & Response
- Graduate Medical Education
- Clinical and Delivery System Research & Innovation
- Local Systems of Care
- Essential vs. Safety Net?
Unique Challenges

Six big publics are lowest Medicaid – paid hospitals in Texas

Payment to Cost Percentage HMA UC Study Data by Hospital Type
Table 22, page 54.
Mostly Negative Net Patient Revenue

(draft analysis - Medicare 2014 data)

Most members need Supplemental Payments & Govt. Approps to Stay Open
Proposal

• Coverage options: Texas Community Access Reform and Engagement (Tex-CARE)
  – Capped Coverage Block Grant for Uninsured in Community Systems of Care using Budget Neutrality Funding
  – Opportunity for a quick win for Texas Coverage
  – DSRIP to develop Value Based Capacity
  – Incentive funds for:
    • PMPM Care Management Fee (including additional PMPM Care Management for BH Diagnoses)
    • Share in Performance Bonus
    • Lower “haircut” for system providers?
  – Must have non-federal share to participate: IGT, LPPF or other.
1. BLOCK GRANT for Uninsured Texans in a system of care
2. Incentives for care provided in SYSTEMS
3. Direct DSRIP implementation into provider/community systems
4. Incentive Payments: PMPM Care Management & Performance Sharing
5. Road to value-based APMs with DSRIP support
6. Reform opportunities
7. Local innovation
8. Public and Private TexCARE

Texas Community Access, Reform & Engagement
Advocacy & More Proposals

- What might changes mean for THOT members? (DSRIP?)
  - Invest in value-based infrastructure and APM?
  - Invest in HIT systems?
  - Identify metric bias in Medicare/Medicaid?
  - Advocate for “public good” program funding (GME, Trauma)
  - Highlight Unique Essential Safety Net Providers?
  - Advocate for “public good” program funding (e.g., Trauma)? (GME already highlighted in Ryan.)
Advocacy & More Proposals

- What flexibility would be helpful in a Block Grant?
  - Dedicated funding for “public goods”?
- What response ideas for Congress?
Discussion:

1. What changes are under discussion
2. What it might mean
3. THOT Preliminary Strategies: Advocacy, Proposals & Responses
Draft: THOT 85th Session Advocacy Priorities

GRADUATE MEDICAL EDUCATION (GME) & RESEARCH

*Shore up Texas’ GME investments and Medical Research* — Texas needs more primary and specialty care providers for its rapidly growing and aging population. Education, patient care, and research together support Texas’ transformational healthcare system.

THOT supports:
- Investing federal match to maintain existing residencies and infrastructure while we grow our GME capacity
- Targeted support for shortage specialty residencies.
- Increasing GR to fully fund Medicaid School GME costs through the GME Formula.
- Maintaining the Research Formula GR increase for medical research to keep Texas a world class research and health care destination.

MEDICAID FINANCING

*Supporting Financing for Hospital System Stabilization and Sustainability* — All Texas hospitals face increased risk with uncertain waiver funding and pending federal health care changes. While most Medicaid hospitals are not paid their Medicaid costs; the largest public hospitals in Texas received the lowest Medicaid payments, even after supplemental payments. Reductions in waiver funding for some THOT members will trigger negative margins; service reductions and/or increased pressure on property taxes. Health care services and other essential GME, Trauma, and public health services are at risk.

THOT supports equitable, efficient targeting of scarce funds through:
- Equitable Medicaid payment methodologies.
- Appropriating GR for rate increases and/or providing flexibility for industry-funded rate increases.
- Targeting scarce funds to individual hospitals serving a disproportionate share of uninsured Texans and those on Medicaid based on their proportional share of uninsured and Medicaid care provided.

TRAUMA FUNDS

*Ensure Continued Funding of Regional Trauma Centers* — THOT members operate 10 of the state’s 17 Level I regional trauma centers. Trauma systems are ready 24/7 for our first responders and for all Texans. Texas trauma funding helped create a successful trauma system: our trauma mortality rate is lower than most other state rates. THOT’s mission also supports vulnerable Texans, so we’ve proposed DRP funding alternatives to help find an alternative, dedicated, recurring, and sustainable source of funds for trauma services.
THOT supports:

• Fully funding Texas Trauma needs at a minimum at last year’s level including the trauma add on; and appropriation of all funds in 5111 Trauma and EMS GR account.
• Identifying funding that is dedicated, recurring, and sustainable as a possible alternative to the current DRP program.
• Investing unallocated dedicated funding for critical trauma infrastructure development.
• Targeting scarce funds to ensure a proficient, system-ready, cost-effective, quality trauma system; including trauma funding based on a proportional share of trauma UC provided.

LOCAL AUTHORITY & RESPONSIBILITY

Ensure Continued Local Authority and Responsibility for Local Decisions – Texas should continue its tradition of local control.

THOT supports:

• Local authority and decision-making for tax rates, use of taxes, ad valorem valuation, and bond authority.

PROVIDE FAIR INCENTIVES FOR VALUE BASED CARE

Ensure Texas’ Medicaid System is prepared for Value Based Care – THOT members share Texas’ goal of improving quality and cost in our healthcare system. Texas has an opportunity to improve the health of its beneficiaries and the value of the health care delivery system.

THOT supports:

• Hospital and HMO rate setting methodologies that create incentives for providers to innovate and be rewarded for value based care.
• Selecting valid measures for provider performance so providers caring for complex, low-income, or at-risk Texans aren’t penalized.
• Using waiver DSRIP funding to support provider transformation to compete in value based care.
• Accounting for a broader range of services, higher costs and complexity at tertiary and quaternary health systems. Supporting residents, providing highly specialized healthcare services, keeping level one trauma systems at the ready, and being prepared for disaster or public health events create costs that can lead to disadvantages in cost-based competition that fails to account for these public goods. Hospitals that serve the community shouldn’t be penalized for their mission.
Support Texas-Style Coverage

THOT supports a Texas approach to covering uninsured Texans. Creating a fairly-financed system of care for uninsured Texans will reduce costs and improve outcomes compared to how care is provided and funded today.

THOT supports:
- A Texas-Style coverage system for uninsured Texans.

RENEW 1115 Waiver with a Tex-CARE Coverage Solution

Texas has a compelling Waiver I success story and should negotiate to use Waiver II savings to create a block grant coverage program for uninsured Texans.

Texas can showcase what flexibility and locally-driven innovation can achieve in addressing our coverage challenges with a capped expenditure block grant for coverage for uninsured Texans. An 1115 Coverage Block Grant for uninsured Texans, funded with local contributions (IGT or LPPFs) and federal match from waiver savings can begin under a new administration as soon as Texas is granted the authority to use existing 1115 wavier funding and budget neutrality room for the program. Tex-CARE will provide care within local integrated care partnerships. Care will be more cost-effective, improve quality and showcase our Texas ingenuity, innovation, achievements while teeing up Texas health opportunities.

THOT supports:
- Negotiating for an 1115 block grant for uninsured Texans using local health partnerships in a capped expenditure skin in the game Tex-CARE plan.
- Quickly and effectively implementing opportunities and outcomes for appropriately structured block grants in providing health care.
- Investing in local, community-driven integrated health care.
- Maximizing Waiver funding and health system support.
TAB 7
Call to Order and Invocation
Dr. Fred Cerise, Chair, called the meeting to order at approximately 9:15 a.m. on Friday, September 16, 2016 in Lonestar Ballroom B at the Marriott Austin South Hotel, Austin, Texas. Ms. Patricia Young Brown, followed with the invocation. There was a quorum present. Please see the attached attendee list for a record of those that attended.

Opening Comments by Chair
Dr. Fred Cerise welcomed board members and thanked them for attending. He also welcomed and introduced Mr. Jacob Cintron, who is the new President and CEO of UMC El Paso. The Executive Committee (EC) proposed approving Mr. Jacob Cintron as a Member at Large on the Executive Committee. Mr. George Hernandez moved to approve the proposal. Dr. Kirk Calhoun seconded the motion. The motion passed.

Presentations

Legislative Update from Rusty Kelley
Mr. Kelley provided an update on the upcoming elections and potential issues that will impact the state’s budget.

He shared with the Board that there are about 50 days left until the November elections. Most of the races were decided in the March primary with the exception of Texas Congressional District 23 where Pete Gallego is running against incumbent Will Hurd. Nine other Texas House seats are also competitive.

Mr. Kelley noted that state agencies were asked to cut four percent from their legislative appropriations requests and that mental health, boarder security, public school funding, pensions, Medicaid and bond debt were excluded from this requirement. He also shared that the Comptroller had lowered his revenue estimate by $1 billion. Sales tax collection and oil were also lower than projected for FY 2016.

The Medicaid shortfall is expected to be between $1.3 to $1.6 billion. DPS is requesting an additional $300 million for border security in addition to the $700 million they received last session. TRS will need about $1.35 billion for health care, and the Lt. Governor would like $345 million for higher education to end tuition set asides.
Mr. Kelley noted that CPS, School Finance, Bathrooms/Transgender, Telemedicine, the Waiver, and Voter ID will be big issues next season. Lastly, he informed the Board that the last day for fundraising before session is December 10, 2016.

**Update from State Medicaid Director**

Dr. Cerise introduced Ms. Jami Snyder, the State Medicaid Director and Associate Commissioner of the Medicaid and CHIP Division at the Health and Human Services Commission.

Ms. Snyder shared with the Board her vision for managed care and what she sees as priorities for the Medicaid and CHIP program for 2017 and beyond. Ms. Snyder noted that she has been at the Commission for three months now, and she is so pleased with the program here in Texas and the team at HHSC.

Her primary priority is fostering the continued expansion of Medicaid managed care in Texas. She is also looking at the advancements of Texas managed care model which includes extending the 1115 Waiver and successfully rolling out the STAR Kids program by Nov. 1, 2016. One area Ms. Snyder is particularly interested in, that was a priority in Arizona and has so much potential in Texas, is integrating expectations for our managed care organizations around value based care purchasing. The details on how you construct a model for managed care are very important as you want a program that creates an expectation around MCOs’ investment in value instead of volume, but allows MCOs the flexibility to work with providers in a way that makes sense for each provider. A program should also allow MCOs to assess providers and be responsive to the individual provider’s interests and aptitudes. She shared her experience with the roll out of value based purchasing in Arizona, and adjustments that had to be made to make value based purchasing programs successful.

In addition, Ms. Snyder mentioned that HHSC is focused on maximizing the use of data to inform decisions. HHSC is looking to create a culture where they are always able to turn to what the data is telling them regarding performance and corrective action. One tool HHSC is using now is Tableau, a comprehensive dash board to assess MCO performance across a variety of indicators.

HHSC is also in the process of ensuring ongoing compliance with all state and federal mandates, and incorporating these rule changes into contracts. A big effort for Ms. Snyder’s division is the ACA requirement around provider re-enrollment in the Medicaid program. About 85 percent of providers have already re-enrolled, and the expectation is that those who haven’t will submit an application by September 24, 2016. This September date does not trigger claims denials, but
HHSC will be releasing the definitive date in the next couple of week for initiating the denial of claims for providers who fail to submit an application.

One other priority areas that is critical to the ongoing success of the Medicaid program in Texas is refining and stabilizing HHSC’s administrative functions. She noted the importance of strong policy documents that providers, MCOs, and stakeholders can turn to regarding questions. Her division is working to revise the uniform managed care rules, as well as the TMPPM, in a way that makes them more accessible and provides an appropriate level of guidance regarding expectations of MCOs.

Ms. Snyder answered questions and took comments from the Board regarding community MCOs, PPRs, and STAR Kids roll out.

**HHSC Update: Hospital Financing/ UC Study**

Dr. Cerise introduced Ms. Pam McDonald, Director of Hospital Rate Analysis at the Health and Human Services Commission.

Ms. McDonald provided the Board with an update on the HMA Uncompensated Care Study, Waiver renewal, UC Disallowance, and UPL debt.

She noted that CMS requested that HHSC retain an independent entity to perform an analysis on Texas’ uncompensated care. HMA was hired to perform the study and was directed to look at what UC would be without Medicaid shortfall and if Texas had expanded Medicaid. Ms. McDonald shared that HMA did a good job on the report, and the bottom line numbers were big for Texas. The report identified $3.7 billion in estimated uncompensated care in 2017 due to the uninsured after the pro forma effect of Medicaid expansion and DSH reductions. HMA used Texas’ robust UC tool for the study as opposed to S10 data. There was also some area of controversy regarding what is charity care and bad debt. HMA addresses this issue in the report and clarifies how they chose to address it. She also noted that there may be robust discussion with CMS around the Medicaid expansion analysis regarding take up rates and assumptions that individuals with insurance may shift to Medicaid.

CMS has acknowledged that they have received the report, and they have contracted with an outside consulting firm to review HMA’s independent report. She also noted that you will see a revised addition of the HMA report coming out with a few updates to the table on page 13.

Ms. McDonald also spoke about the UC disallowance. She noted that on August 24th, HHSC received a letter from CMS disallowing about $26 million. It was a surprise to HHSC as they thought they had an agreement with CMS that these finance methods used in Texas would be
good until September 2017. HHSC has had some conversation with CMS about the letter, and they anticipate more formal written communications. HHSC has been working with CMS on this issue since the deferral about two years ago on this same issue. CMS was looking at Parkland, Nueces, and Central Health. HHSC made a deal with CMS at that point to release the deferral and work together with CMS’ staff to try to come to an agreement on what constituted burden alleviation. They had several legal conversations last summer and realized they were not going to be able to come to an agreement on interpretation of the statute with CMS staff. HHSC realized CMS legal staff believes that there is absolutely nothing a private hospital could do that would constitute an acceptable donation. HHSC disagreed with CMS’ interpretation of the statute. After last year’s State Learning Collaborative, there were discussion by HHSC leadership and CMS leadership about how to move forward and the idea of running a trial case through an independent arbiter was brought up. However, communication ceased on both sides until HHSC received the letter regarding the disallowance in August.

HHSC has 60 days from the date of the letter to initiate a challenge. HHSC staff has a briefing set up next week with Commissioner Smith to lay out some options, and they are also working with outside counsel to assess their options. Commissioner Smith is also reviewing how to handle the disallowed funds. Texas could decide to return the disallowed funds. If Texas keeps the funds and loses the appeal it will have to pay it back with interest. In HHSC’s conversation with CMS, CMS has indicated that they would not be making any other disallowances related to this topic until this one is resolved.

Another letter that HHSC received from CMS on August 24th was regarding the $466 million UPL debt, which HHSC believed it had an agreement with CMS that would allow HHSC to continue recouping through UC debt reconciliation. HHSC believed that CMS would not be calling for a final accounting on this debt until all of the reconciliations had been done. But the letter from CMS called for the funds to be returned by end of this quarter. HHSC has had a number of conversations with CMS regarding the funding, how the reconciliation process works, and why this process is taking so long. Unlike the DSH audit, UC reconciliations are based off of finalized Medicare cost reports, and some of these reports may take 3 to 5 years to be finalized. CMS was very concerned that there is no end in sight for these reconciliations. HHSC and CMS have come to an agreement that is not finalized yet. The agreement is that HHSC will eliminate the interim reconciliation, the final reconciliations will be based on the same data as the DSH audits that are based on the best available data that HHSC has at the time the audit is done. DSH audits are done 3 years after the program year, so for 2016 which is the last year of the waiver the reconciliation will take place in 2019. The final accounting of the debt will be due at this time as well.

Ms. McDonald answered questions about the disallowance and the QIPP program.
**HHSC Update: Waiver Renewal**

Dr. Cerise introduced Ms. Ardas Khalsa, Deputy Medicaid/CHIP Director at HHSC.

Ms. Ardas Khalsa provided the Board with an update on the Waiver extension/ renewal. HHSC submitted a letter/ request a year ago as required to extend the waiver, and received a 15-month extension until December 31, 2017. Ms. Khalsa also shared that CMS has approved the parameters for DSRIP for this next federal fiscal year. HHSC heard verbally from CMS staff that they determined that Texas would be required to submit a new application, which differed from expectations as they anticipated negotiations would take on the application submitted a year ago. Commissioner Smith reached out to higher levels of CMS, and shared concerns about the timeline associated with submitting a new application, as well as HHSC’s ability to get legislative approval if needed. CMS is planning to discuss this issue with its general counsel, who initiated the request. HHSC is trying to resolve this issue via conference calls and get a definitive plan together for going into the legislative session.

HHSC also has some question about how the disallowance will play into the waiver negotiations. Their understanding is that these negotiations operate in parallel, but that the waiver negotiations are not dependent on the trajectory of the public-private funding mechanism. She did note that these methods of finance are used in UC and DSRIP, which will certainly have an impact on the waiver depending on the outcome.

CMS has great interest in integrating DSRIP into managed care. HHSC sent a letter to CMS on August 19th about their willingness to engage with CMS on this issue, and asking for clarification on what CMS’ vision is and how they see this integration taking place. The letter also notes that HHSC would be open to not integrating DSRIP into managed care given the complexity of the new Medicaid Managed Care rules. HHSC believes they will have to do something regarding moving DSRIP into Medicaid Managed Care.

Overall, HHSC is interested in continuing innovation and transformation in health care, and simplifying the waiver projects. Ms. Khalsa stated that HHSC has its own internal timeline they are working on and anticipates having a strawman idea for DSRIP this fall. They will continue working with HHSC leadership, stakeholders, and CMS, as well as the State’s leadership.

Ms. Khalsa answered questions about DSRIP valuation, waiver renewal, and the disallowance.

**Landscape of Upcoming 85th Legislative Session/ Review of Draft Advocacy Priorities**
Dr. Cerise introduced Mr. Chris Traylor, THOT Consultant and Ms. Jessica Schleifer, THOT Director of Advocacy and Operations. Mr. Traylor provided the Board with a legislative update including information on the UC study, Medicaid, and CPS. He noted that state agencies were requested to reduce their baseline budget by four percent, and that Medicaid is exempt from the calculation of the reduction amount required. Since HHSC does not have a lot of budget room to cut from, it is likely that we will see some reductions in Medicaid in the four percent reduction plan as that is where the money is.

He shared that in just about every legislative session there have been riders that reduce Medicaid expenditures anywhere from $180 to $400 million. Two areas that can be cut are eligibility and rates. When you look at eligibility standards, Texas standards are usually set at the mandatory minimum, pregnant women and long term care are the exception. Rate reductions may be on the table for next session. THOT members with Community Health Plans will need to be aware of cost containment riders as they may include reductions to risk margins that could negatively impact Community plans.

Mr. Traylor also shared that mental health and foster care will be important issues next session. He also answered questions about CMS, OMB, the disallowance, coverage expansion, and foster care system.

Following Mr. Traylor’s presentation, Ms. Schleifer laid out THOT’s draft advocacy priorities including: increasing funding for graduate medical education and research; promoting Medicaid system stabilization and sustainability; ensuring continued funding of regional trauma centers; ensuring continued local authority and responsibility for local decisions; ensuring Texas’ Medicaid system is prepared for value based care; and maximizing waiver II investments and supporting integrated care systems in the waiver program.

Ms. Stephanie Hall provided an overview of the agenda for the 2016 Health Law Conference.

**Input on Provider Participation Fees by THA**

Dr. Milligan introduced Ms. Julie Chicoine, Senior Vice President and General Counsel for Legal and Regulatory Compliance at the Texas Hospital Association. Ms. Chicoine shared information on her background, and that she was presenting on behalf of Mr. Ted Shaw. She was asked to get input from THOT members on their willingness to support a provider participation fee either state-wide or legislation authorizing state-wide provider fees at the local level. She asked members to email Mr. Shaw with any feedback.

The Board discussed the request from Ms. Chicoine, and provided some feedback. Chair Cerise summarized THOT members’ position as being supportive of provider fees whether statewide, the more feasible local option approach.

**Executive Committee Reports**

**Approval of Minutes of the June 24, 2016 Board Meeting**

*Saving lives today, preparing for tomorrow.*
Dr. Fred Cerise requested review, and if appropriate, approval of the June 24, 2016 board meeting minutes. Mr. George Hernandez moved for approval of the minutes with any necessary corrections. There were no corrections noted. Mr. Jacob Cintron seconded the motion, and the motion carried without objection.

Approval of 2017 Meeting Dates
Dr. Cerise presented the future meeting dates for 2017. He noted that there was discussion at the Executive Committee to move the March meeting to February. Mr. Jacob Cintron moved to approve the 2017 meeting dates as amended, Mr. George Hernandez seconded the motion, and the motion carried without objection. Dr. Milligan also noted that the EC proposed moving the Dr. Ron Anderson lecture to a biennial basis and also discussed potential interest in having members host the board meeting at their institutions.

FY 2016 Treasurer’s Report/ FY 2017 Proposed Annual Budget
Dr. Milligan shared with the Board that lobby percentages of membership dues had been adjusted using a new methodology that was based on the IRS definition of lobbying and compared to other similar organizations. The old methodology had THOT lobbying percentages at a level that was too high. State institution members’ dues will now reflect that zero percent of their dues are used for lobbying, while all other member’s lobbying percentages will be 11.4 percent.

Ms. Patricia Young Brown provided an overview of the Treasurer’s Report. She noted that adjustments had been made to the budget to account for the loss of member revenues, and that overall THOT did well staying within its FY 2016 budget.

After the treasurer’s report, Ms. Patricia Young Brown laid out the proposed annual budget for FY 2017. She noted the proposed contract renewals for consulting included in the budget. Ms. Young Brown stated that a shortfall was predicted for the upcoming budget, and that it is anticipated to be about $50,000. Ms. Patricia Young Brown laid out potential options to address the shortfall such as adding new members, increasing dues, forming a GME coalition, or adding affiliate members based on policy or mission. The Board discussed these proposals, including considering membership of an interested for-profit hospital to join THOT, and recommended that the budget be approved as is with the deficit and these discussions continue about how to address the revenue shortage. They also requested that a membership council meet to consider new members and bring recommendations to the EC and full board.

Dr. Kirk Calhoun motioned to approve the proposed FY 2017 budget with the current shortfall, Mr. Hernandez seconded the motion. The motion passed.

Dr. Cerise requested a block vote for approval of the FY 2016 Treasurers reports, proposed contract extension for THOT consultants, and proposed lobbying percentages of member dues. Mr. Jacob Cintron motioned to approve the proposed items noted for a block vote. Ms. Patricia Young Brown seconded the motion. The motion passed without objection.
Adjournment of Meeting

Motion to adjourn made by Dr. Fred Cerise, seconded and approved. The meeting adjourned at approximately 12:57 p.m.

Respectfully submitted,

Dr. Kirk Calhoun,
THOT Secretary
TAB 8
THOT’s 2017 fiscal year (FY) budget for Teaching Hospitals of Texas is $787,477. This budget was approved at the September 2016 Board meeting. The budget was approved as a deficit budget (-$54,671) and a goal set for the year to increase revenues with, for example, creation of a GME coalition.

THOT’s 2016 fiscal year (FY) adjusted final budget for Teaching Hospitals of Texas was $720,947.

**FY 2016 Report:**

THOT’s Fiscal Year 2016 unaudited end of year Financial Position is included as *Attachment One* on page four shows total assets of $691,467 at the end of the fiscal year.

Fiscal Year 2016 unaudited Statement of Activities - Actual vs. Revised Budgeted is included as *Attachment Two* on pages five and six shows a positive change in net assets of $41,956 for the year. THOT’s final FY 2016 expenditures were $19,453 under budget: $701,493 compared to a budgeted amount of $720,947.

**FY 2016 variances and discussion:**

THOT had unused budget authority of:

- $4,500 in the Mercer contract;
- $1,400 in IT support (likely due to having more tech experience in new staff); and with
- $2,900 in accounting services (with some invoices not received).

**In addition the budget exceeded expenses for:**

- Board meetings ($1,200 - likely due to Parkland sponsorship of the March Board meeting;
- Member Seminars and meetings ($1,200 -- New location for Law Conference reduced costs);
- Company paid FICA ($5,200); and
Office furnishings (($1,000) and Contingency ($1,800).
Due to timing of travel invoices, speaker costs of $2,300 from the October Law Conference are
paid out of and affect the FY 2017 budget.

THOT’s 2016 budget was adjusted downward to account for the Citizen’s Medical Center’s dues
loss. The 2016 budget had included a legislative agenda allocation that helped offset the budget
loss. (That allocation was funded from previous years’ personnel savings, which were allocated
for a lobbying contract adjustment for the 2015 session and subsequently discontinued.) In
addition, generous Ron Anderson sponsorships from Parkland, UT Southwestern and UHS San
Antonio helped offset costs of that inaugural THOT event. Staff also sought ways to trim office
costs and expenses during the course of the year.

FY 2017 Report:

FY 2017 Year to Date Report
Background & Discussion
THOT’s FY 2017 Statement of Financial Position is included as Attachment Three on page
seven of this report showing net assets of $1,024,040. That amount is about $130,000 less than
assets one year ago. However, four THOT members have not yet submitted 2017 dues which
together total $195,139. All members plan to submit their dues. Net assets at the beginning of
THOT’s fiscal year tend to be high reflecting receipt of membership dues.

Budget vs. Actual
Attachment Four found on pages eight through nine, shows Budgeted to Actual expenditures as
of November 30, 2016. The actual revenues show the four outstanding member dues receipts.
We anticipate receipt of all dues. The Statement of Activities Budget vs. Actual shows THOT’s
FY 2016 to date expenditures at $81,300 or 11 percent of the FY 2016 Budget at two months or
16.7 percent into the budget.

THOT Contracts
Contracts with the vendors that have been in place for FY 2016:

Blackridge; Traylor; Dockal; Mercer; Rago; Naraguma; Haywood, McDermott and Wood
Johnson and Heath. Attachment Five on page ten includes a table identifying THOT current
contracts.

Brokerage Account Status
THOT has $601,000 in Brokerage accounts. The table below details active CDs.
Bank Balances:

Current bank balances as of December 5, 2016 are as follows.

Frost (all accounts): $220,946.71

Chase (all accounts): $164,668.16

Total: $385,615

Recommended Board Actions:

1. Approve 2016 Treasurer’s report including FY 2016 Year End Report (unaudited) and FY 2017 year to date report.

Respectfully submitted,

Patricia Young Brown
THOT Treasurer

Attachments – Executive Committee Report.
Attachment 2: FY 2016 End of Year Statement of Activities Budget vs Actual.
Attachment 3: FY 2017 Year to Date Statement of Financial Position.
Attachment 4: FY 2017 Year to Date Activities Budget vs. Actual.
Attachment 5: THOT Contracts.
# Attachment One: Fiscal Year 2016 Unaudited Statement of Financial Position

**Reporting Book:** CASH  
**As of Date:** 09/30/2016

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year to Date</th>
<th>Fiscal Prior Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>09/30/2016</td>
<td>09/30/2015</td>
</tr>
<tr>
<td><strong>Current Year Balance</strong></td>
<td>$ 691,467.94</td>
<td>$ 659,108.70</td>
</tr>
<tr>
<td><strong>Prior Year Difference</strong></td>
<td>$ 32,359.24</td>
<td></td>
</tr>
</tbody>
</table>

## Assets

<table>
<thead>
<tr>
<th>Current Assets</th>
<th>09/30/2016</th>
<th>09/30/2015</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chase Checking x2358</td>
<td>$ 62,859.54</td>
<td>$ 43,396.99</td>
<td>$ 19,462.55</td>
</tr>
<tr>
<td>Frost Bank MM 3011</td>
<td>25,372.45</td>
<td>14,299.54</td>
<td>11,072.91</td>
</tr>
<tr>
<td>Frost Brokerage 7722</td>
<td>554,135.71</td>
<td>352,015.55</td>
<td>202,120.16</td>
</tr>
<tr>
<td>Frost Checking 4101</td>
<td>3,857.15</td>
<td>203,799.15</td>
<td>(199,942.00)</td>
</tr>
<tr>
<td>Money Market 7927</td>
<td>26,261.84</td>
<td>15,084.31</td>
<td>11,177.53</td>
</tr>
<tr>
<td>Payroll Account 8112</td>
<td>18,981.25</td>
<td>30,513.16</td>
<td>(11,531.91)</td>
</tr>
</tbody>
</table>

**Total Assets**  

|                      | $ 691,467.94 | $ 659,108.70 | $ 32,359.24 |

## Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>09/30/2016</th>
<th>09/30/2015</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Revenue</td>
<td>$ 118,919.00</td>
<td>$ 0.00</td>
<td>$ 118,919.00</td>
</tr>
<tr>
<td>Other Short-term Liabilities</td>
<td>(2,881.27)</td>
<td>0.00</td>
<td>(2,881.27)</td>
</tr>
</tbody>
</table>

**Total Short-term Liabilities**  

|                      | $ 116,037.73 | $ 0.00     | $ 116,037.73 |

**Total Liabilities**  

|                      | 116,037.73   | 0.00       | 116,037.73   |

**Net Assets**  

|                      | 575,430.21   | 659,108.70 | (83,678.49)  |

**Total Liabilities and Net Assets**  

|                      | $ 691,467.94 | $ 659,108.70 | $ 32,359.24 |

Created on: 12/06/2016 10:19 AM
Attachment 2
Teaching Hospitals of Texas
Statement of Activities - Actual vs Budget

Reporting Book: CASH
As of Date: 09/30/2016

<table>
<thead>
<tr>
<th>Year To Date</th>
<th>Final Year Ending</th>
<th>Year Ending 09/30/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual 2016 Budget</td>
<td>(Under) or Over budget</td>
</tr>
</tbody>
</table>

### Operating Revenue
- **Dues Income**: $725,867.00 / $725,867.00 / $0.00
- **Sponsorship Income**: $12,500.00 / $12,500.00 / $0.00
- **Interest Income**: $2,824.67 / $2,939.00 / ($114.33)
- **Seminar Fees**: $2,900.00 / $1,300.00 / $1,600.00
- **Unrealized Gain/Loss**: ($642.07) / 0.00 / ($642.07)

**Total Revenue**: $743,449.60 / $742,606.00 / $843.60

### Expenditures

#### Total Consulting
- **Total Consulting**: $225,826.62 / $228,088.00 / $2,261.38

#### Personnel Expenses

**Total Personnel Expenses**: $350,498.54 / $356,391.00 / $5,892.46

#### Office Expense
- **Rent**: $51,132.08 / $50,702.00 / ($430.08)
- **Copier Lease**: $2,784.73 / $2,650.00 / ($134.73)
- **Office Supplies**: $1,623.52 / $1,900.00 / $276.48
- **Postage**: $194.47 / $250.00 / $55.53
- **Office Furnishings**: 0.00 / $1,000.00 / $1,000.00

**Total Office Expense**: $55,734.80 / $56,502.00 / $767.20

#### Technology, Software & Hardware
- **Technology, Software & Hardware**: $2,991.98 / $3,000.00 / $8.02
- **Conference Calls**: $2,077.33 / $2,500.00 / $422.67
- **Internet Phone & Cable**: $5,719.32 / $6,000.00 / $280.68
- **Computer Maintenance (IT Support)**: $784.81 / $2,200.00 / $1,415.19
- **Web Services**: $291.16 / $231.00 / ($60.16)

**Total Technology and Communications**: $11,864.60 / $13,931.00 / $2,066.40

#### Financial Services
- **Bank Fees**: ($21.00) / 25.00 / $46.00
- **Payroll Service Fees**: $5,324.19 / $5,000.00 / ($324.19)
- **Audit & Tax Services**: $5,350.00 / $5,350.00 / $0.00
- **Accounting Services**: $7,598.40 / $10,498.00 / $2,899.60

**Total Financial Services**: $18,251.59 / $20,873.00 / $2,621.41

### General and Administrative Expenses
- **Board Meetings**: $16,823.70 / $18,000.00 / $1,176.30
- **Speaker & Travel Fees**: $3,773.54 / $4,029.00 / $255.46
- **Staff Travel & Hotel**: $2,683.67 / $3,000.00 / $316.33
- **Staff Development**: $2,500.00 / $3,000.00 / $500.00
- **Meals-General**: $730.22 / $1,080.00 / $349.78
<table>
<thead>
<tr>
<th>Description</th>
<th>Before</th>
<th>After</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative and related meetings</td>
<td>3,928.15</td>
<td>3,928.00</td>
<td>$(0.15)</td>
</tr>
<tr>
<td>Liability Insurance</td>
<td>500.00</td>
<td>500.00</td>
<td>$ 0.00</td>
</tr>
<tr>
<td>Corporate Liability Insurance</td>
<td>0.00</td>
<td>0.00</td>
<td>$ 0.00</td>
</tr>
<tr>
<td>D &amp; O</td>
<td>2,974.00</td>
<td>2,974.00</td>
<td>$ 0.00</td>
</tr>
<tr>
<td>Member Seminars &amp; Meetings</td>
<td>3,833.15</td>
<td>5,100.00</td>
<td>$ 1,266.85</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>51.07</td>
<td>51.00</td>
<td>$(0.07)</td>
</tr>
<tr>
<td>Gifts</td>
<td>695.10</td>
<td>600.00</td>
<td>$(95.10)</td>
</tr>
<tr>
<td>Subscriptions &amp; Books &amp; Telicon</td>
<td>37.83</td>
<td>100.00</td>
<td>$ 62.17</td>
</tr>
<tr>
<td>Registration Fees</td>
<td>580.51</td>
<td>500.00</td>
<td>$(80.51)</td>
</tr>
<tr>
<td>Parking</td>
<td>36.00</td>
<td>300.00</td>
<td>$ 264.00</td>
</tr>
<tr>
<td>Contingency</td>
<td>170.00</td>
<td>2,000.00</td>
<td>$ 1,830.00</td>
</tr>
<tr>
<td><strong>Total General and Administrative Expenses</strong></td>
<td>39,316.94</td>
<td>45,162.00</td>
<td>$ 5,845.06</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>701,493.09</td>
<td>720,947.00</td>
<td>$ 19,453.91</td>
</tr>
<tr>
<td><strong>Change In Net Assets</strong></td>
<td>41,956.51</td>
<td>(1,846.00)</td>
<td>$(43,802.51)</td>
</tr>
</tbody>
</table>
### Teaching Hospitals of Texas

#### Statement of Financial Position

**Reporting Book:** CASH  
**As of Date:** 11/30/2016

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year to Date</th>
<th>Fiscal Prior Year to Date</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chase Checking x2358</td>
<td>$152,572.94</td>
<td>$118,676.47</td>
<td>$33,896.47</td>
</tr>
<tr>
<td>Frost Bank MM 3011</td>
<td>25,373.52</td>
<td>144,306.08</td>
<td>(118,932.56)</td>
</tr>
<tr>
<td>Frost Brokerage 7722</td>
<td>604,267.20</td>
<td>753,186.30</td>
<td>(148,919.10)</td>
</tr>
<tr>
<td>Frost Checking 4101</td>
<td>195,697.15</td>
<td>20,967.15</td>
<td>174,730.00</td>
</tr>
<tr>
<td>Money Market 7927</td>
<td>26,262.95</td>
<td>46,248.85</td>
<td>(19,985.90)</td>
</tr>
<tr>
<td>Payroll Account 8112</td>
<td>19,866.47</td>
<td>32,472.75</td>
<td>(12,606.28)</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>0.00</td>
<td>$39,620.00</td>
<td>(39,620.00)</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$1,024,040.23</td>
<td>$1,155,477.60</td>
<td>(131,437.37)</td>
</tr>
</tbody>
</table>

**Liabilities and Net Assets**

|                        |                     |                           |            |
| **Liabilities**        |                     |                           |            |
| Deferred Revenue       | $40,444.00          | $39,620.00                | $824.00    |
| Other Short-term Liabilities | (2,881.27)   | (2,881.27)               | 0.00       |
| **Total Short-term Liabilities** | $37,562.73 | $36,738.73               | $824.00    |
| **Total Liabilities**  | 37,562.73           | 36,738.73                 | 824.00     |
| **Net Assets**         | 986,477.50          | 1,118,738.87              | (132,261.37) |
| **Total Liabilities and Net Assets** | $1,024,040.23 | $1,155,477.60 | (131,437.37) |

Created on: 12/06/2016 11:33 AM
Attachment Four 2017 Statement of Activities – Actual vs. Budget

Teaching Hospitals of Texas
Statement of Activities - Actual vs Budget

Reporting Book: CASH
As of Date: 11/30/2016

<table>
<thead>
<tr>
<th>Year To Date</th>
<th>2017 Budget</th>
<th>Year Ending 09/30/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/30/2016</td>
<td>Actual</td>
<td>Remaining Budget</td>
</tr>
</tbody>
</table>

- **Operating Revenue**
  - **Member Fees**
    - Dues Income: 490,284.00
    - Sponsorship Income: 0.00
    - Interest Income: 1,133.67
    - Seminar Fees: 910.00
  - **Total Revenue**: 492,327.67

- **Expenditures**
  - **Total Consulting**: 32,640.00
  - **Total Personnel Expenses**: 34,582.89

- **Office Expense**
  - Rent: 4,443.91
  - Copier Lease: 533.33
  - Office Supplies: 320.24
  - Postage: 46.27
  - Office Furnishings: 0.00
  - **Total Office Expense**: 5,343.75

- **Technology and Communications**
  - Technology, Software & Hardware: 971.62
  - Conference Calls: 258.49
  - Internet Phone & Cable: 913.54
  - Computer Maintenance (IT Support): 0.00
  - Web Services: 230.81
  - **Total Technology and Communications**: 2,374.46

- **Financial Services**
  - Bank Fees: 4.00
  - Payroll Service Fees: 401.31
  - Audit & Tax Services: 0.00
  - Accounting Services: 1,936.80
  - **Total Financial Services**: 2,342.11

- **General and Administrative Expenses**
  - Board Meetings: 0.00
  - Speaker & Travel Fees: 2,307.51
  - Staff Travel & Hotel: 530.62

**Saving lives today, preparing for tomorrow.**

1005 CONGRESS AVENUE, SUITE 830 • AUSTIN, TEXAS 78701 • PHONE: 512-476-1497 • FAX: 512-320-0726
<table>
<thead>
<tr>
<th>Category</th>
<th>Actual 2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Development</td>
<td>0.00</td>
<td>3,000.00</td>
<td>3,000.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Meals-General</td>
<td>253.03</td>
<td>2,000.00</td>
<td>1,746.97</td>
<td>87.34</td>
</tr>
<tr>
<td>Legislative and related meetings</td>
<td>0.00</td>
<td>3,200.00</td>
<td>3,200.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Corporate Liability Insurance</td>
<td>0.00</td>
<td>500.00</td>
<td>500.00</td>
<td>100.00</td>
</tr>
<tr>
<td>D &amp; O</td>
<td>0.00</td>
<td>3,000.00</td>
<td>3,000.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Member Seminars &amp; Meetings</td>
<td>845.94</td>
<td>3,000.00</td>
<td>2,154.06</td>
<td>71.80</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>51.07</td>
<td>80.00</td>
<td>28.93</td>
<td>36.16</td>
</tr>
<tr>
<td>Gifts</td>
<td>0.00</td>
<td>650.00</td>
<td>650.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Subscriptions &amp; Books &amp; Telcon</td>
<td>0.00</td>
<td>4,200.00</td>
<td>4,200.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Registration Fees</td>
<td>0.00</td>
<td>500.00</td>
<td>500.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Parking</td>
<td>9.00</td>
<td>100.00</td>
<td>91.00</td>
<td>91.00</td>
</tr>
<tr>
<td>Contingency</td>
<td>0.00</td>
<td>2,000.00</td>
<td>2,000.00</td>
<td>100.00</td>
</tr>
<tr>
<td><strong>Total General and Administrative Expenses</strong></td>
<td><strong>3,997.17</strong></td>
<td><strong>51,730.00</strong></td>
<td><strong>47,732.83</strong></td>
<td><strong>92.27</strong></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>81,280.38</strong></td>
<td><strong>787,477.00</strong></td>
<td><strong>706,196.62</strong></td>
<td><strong>89.11</strong></td>
</tr>
</tbody>
</table>
## Attachment Five: THOT Contracts FY 2017

<table>
<thead>
<tr>
<th>CONTRACTOR</th>
<th>START DATE</th>
<th>AMENDMENT or RENEWAL DATE</th>
<th>END DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blackridge – Lobby</td>
<td>August 2014</td>
<td>October 2016</td>
<td>September 2017</td>
</tr>
<tr>
<td>Dockal Consulting</td>
<td>July 2013</td>
<td>October 2016</td>
<td>September 2017</td>
</tr>
<tr>
<td>Mercer (Dianne Heffron)</td>
<td>March 2013</td>
<td>October 2016</td>
<td>September 2017</td>
</tr>
<tr>
<td>Chris Traylor</td>
<td>August 2016</td>
<td></td>
<td>September 2017</td>
</tr>
<tr>
<td>J. Naraguma, Ph.D.</td>
<td>March 2016</td>
<td>October 2016</td>
<td>September 2017</td>
</tr>
<tr>
<td>Wood, Johnson, Heath</td>
<td>September 2014</td>
<td></td>
<td>n/a</td>
</tr>
<tr>
<td>Bill Rago</td>
<td>May 2016</td>
<td>October 2016</td>
<td>September 2017</td>
</tr>
<tr>
<td>Tracy Haywood</td>
<td>March 2016</td>
<td>TBD – when needed</td>
<td></td>
</tr>
<tr>
<td>Chris McDermott</td>
<td>February 2016</td>
<td>December 2016</td>
<td>September 2017</td>
</tr>
</tbody>
</table>

Created on 12.2016