

**NORTH BROWARD HOSPITAL DISTRICT
BOARD OF COMMISSIONERS'
REGULAR MEETING
Wednesday, May 30, 2012- 4:00 p.m.
Broward Health Medical Center
Auditoriums**

MINUTES

The Regular meeting of the Board of Commissioners of the North Broward Hospital District was held on Wednesday, May 30, 2012, at 4:00 p.m. in the auditoriums at Broward General Medical Center, 1600 South Andrews Avenue, Fort Lauderdale, Florida.

Notice of this meeting is attached to the official Minutes as EXHIBIT I. The official Agenda for this meeting, as presented for the consideration of the Board, is attached to the official Minutes as EXHIBIT II. Original registration sheets listing attendees, as well as those who wished to address the Board, are attached to the official Minutes on file in the Board of Commissioners' office.

Chair Gustafson called the meeting to order at 4:00 p.m.

ROLL CALL

Commissioners:

Present: Commissioner Joel Gustafson - Chair
 Commissioner Richard Paul-Hus - Treasurer/Secretary
 Commissioner David Di Pietro - Board Member
 Commissioner Clarence McKee – Board Member
 Commissioner Debbie L. Kohl – Board Member

Excused absence: Commissioner Jennifer O'Flannery Anderson and Commissioner Miguel Fernandez

The invocation was given by Capt. Dan Williams, Chaplain for US Air Force, Minister for the 7th Day Adventist, followed by the Pledge of Allegiance led by Natassia Orr, COO, Broward Health Medical Center.

COMMENTS FROM AUDIENCE:

Pastor Grimes informed the Board of Commissioners that he was very supportive of the District and what it does for the community; however; if there are any changes in quality, any increase in transferring responsibility and knowledge to patients, it has to come from the Board. The District needs to increase its awareness of what the people need.

John deGroot discussed the sale of Crystal Lago, Item 9 on the Consent Agenda. He distributed information to the Board and questioned why the District was selling this property for \$502,000. He asked that they review the material that he gave them.

APPROVAL OF MINUTES

1. Request approval of the Minutes for the Regular Meeting of the Board of Commissioners held April 25, 2012.

It was moved by Commissioner Di Pietro, seconded by Commissioner Kohl:

THAT THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS HELD ON APRIL 25, 2012 BE APPROVED AS PRESENTED.

Motion carried unanimously.

MEDICAL COUNCIL AGENDA

2. BROWARD HEALTH MEDICAL CENTER

Dr. Rajiv Chokshi, Chief of Staff of Broward Health Medical Center, provided the following update:

BHMC

- Submitted a Letter of Intent to AHCA for a Kidney Transplant program. Certificate of Need application and discussions for UM Transplant Team are underway.
- Began discussions with medical staff members on the Intensivist program at BHMC.
- Held successful celebrations for Hospital and Nurses Weeks.
- Held an open House for Hybrid Room for physicians that will be utilizing the room beginning on May 22nd.

Dr. Chokshi informed the Board that BHMC is sad to announce the death of Art Grissom, former Chief of Support Services.

Dr. Chokshi reported that the Medical Council had reviewed, and recommended for approval by the Board of Commissioners, all exhibited Medical Staff Changes and Additions, Allied Health Changes and Additions, Community Health Services Changes and Additions, Medical Staff Reappointments, Allied Health Reappointments, Community Health Services and Weston Urgent Care Center Reappointments

Commissioner Kohl informed the Board that her personal physician is on the list for credentialing. Mr. Goren said that he had consulted with the Commissioner and there was no special private gain or loss for the physician. It is a credentialing matter and, therefore, no conflict. The physician's name was not being revealed because of other laws that cover disclosure. This is an informational note for the record. There is no recusal required by statute. Mr. Goren said that as a matter of good faith, Commissioner Kohl was just disclosing the relationship without naming the physician

It was moved by Commissioner Di Pietro, seconded by Commissioner Kohl:

THAT THE BOARD OF COMMISSIONERS APPROVE THE RECOMMENDATIONS OF THE BROWARD HEALTH MEDICAL CENTER'S MEDICAL COUNCIL OF ITEMS 2 (A – F):

- A. Medical Staff Changes and Additions
- B. Allied Health Changes and Additions
- C. Community Health Services Changes and Additions
- D. Medical Staff Reappointments
- E. Allied Health Reappointments
- F. Community Health Services and Weston Urgent Care Center Reappointments

Commissioner Di Pietro stated that his father is doing work for Dr. Mohan Gupta. He explained that this was a pre-existing relationship prior to his coming on the board. Commissioner Di Pietro recused himself from voting on the credentialing for that specific physician. Mr. Goren said that the proper Form 8B, Memorandum of Voting Conflict will be filed within 15 days or less and will disclose the conflict.

Commissioner McKee asked if they go to a physician that is on any one of the medical staff lists being presented for approval by the board, are they required to disclose it.

Mr. Goren replied no, not unless there was some special private gain or loss occasioned by their vote by virtue of voting under credentialing, it was benefitting the physician because of that particular credentialing issue.

Motion carried unanimously.

3. **BROWARD HEALTH NORTH**

In the absence of Dr. Douglas Ford, Chief of Staff of Broward Health North, Ms. Pauline Grant, CEO reported that the Medical Council had reviewed, and recommended for approval by the Board of Commissioners, all exhibited Medical Staff Additions, Changes and Resignations, Allied Health Additions, Changes and Resignations, Medical Staff Reappointments, Allied Health Reappointments, and Community Health Reappointments.

Commissioner Di Pietro informed the Board that Dr. Subash Gupta is his client; therefore, he would be recusing himself from voting on that particular credentialing.

It was moved by Commissioner McKee, seconded by Commissioner Paul-Hus:

THAT THE BOARD OF COMMISSIONERS APPROVE THE RECOMMENDATIONS OF BROWARD HEALTH NORTH'S MEDICAL COUNCIL OF ITEMS 3 (A-E):

- A. Medical Staff Additions, Changes and Resignations
- B. Allied Health Additions, Changes and Resignations
- C. Medical Staff Reappointments
- D. Allied Health Reappointments
- E. Community Health Reappointments

Motion carried unanimously.

4. **BROWARD HEALTH IMPERIAL POINT**

Dr. Linda Groene, Chief of Staff of Broward Health Imperial Point, provided the following update on BHIP:

- Sandra Todd Atkinson, COO/CNO has assumed her new position at BHIP.
- Interviewed a candidate for Medical Director of Psychiatry.
- Awarded scholarships to the recipient at Blanche Ely High School on May 16.
- Quality team is currently at the Sterling Showcase in Orlando, Florida.

Dr. Groene said that there was one correction to their exhibit. Doctors Angela Rodriguez and Kishorekumar Sheth are recommended for Reappointment with no changes in status for one year. They were mistakenly listed under change in status.

Chair Gustafson informed Dr. Groene that there was a discussion held at the Legal Affairs Committee regarding the ban on smoking issue throughout Broward Health. He said that they are working on it but more information is needed. Dr. Groene was asked by Commissioner Paul-Hus if she had any research/policies from any similar hospitals that have implemented a ban on smoking. Dr. Groene said that she did not but would be happy to obtain some information for the Board. Commissioner Kohl asked if that information could include how they enforce that policy.

Dr. Groene also mentioned that there are some facilities that also ban smoking by their vendors when on their campus.

Dr. Groene reported that the Medical Council had reviewed, and recommended for approval by the Board of Commissioners, all exhibited Medical Staff Changes and Additions, Medical Staff Reappointments, Allied Health Changes and Additions, and Allied Health Reappointments.

It was moved by Commissioner Di Pietro, seconded by Commissioner Kohl:

THAT THE BOARD OF COMMISSIONERS APPROVE THE RECOMMENDATIONS OF BROWARD HEALTH IMPERIAL POINT'S MEDICAL COUNCIL OF ITEMS 4 (A-D):

- A. Medical Staff Changes and Additions
- B. Medical Staff Reappointments
- C. Allied Health Changes and Additions
- D. Allied Health Reappointments

Motion carried unanimously.

5. **BROWARD HEALTH CORAL SPRINGS**

Drew Grossman, CEO of BHCS, provided the following update:

- BHCS submitted two abstracts to Florida Organization of Nurse Executives and they were both accepted. Kim Graham, COO/CNO and Ava Dobin, Quality Manager will be going to Orlando where they will be presenting two of their quality measures: 1) Reducing the Catheter Related Blood Stream Infection; and 2) Improving Patient Flow.
- BHCS was visited by Joint Commission—it was a huge team success. There were only 3 direct impacts. According to the surveyors, the average direct impact is from 6 to 9, so BHCS set the bar high. Mr. Grossman said that BHCS was prepared to help their fellow hospitals prepare for their upcoming Joint Commission visit. He thanked Kim Graham, management, quality team, physicians and Jean Seaver from the Department of Education, Sharon Cohen from Emergency Preparedness.

In the absence Dr. Carrie Greenspan, Chief of Staff of Broward Health Coral Springs, Drew Grossman reported that the Medical Council had reviewed, and recommended for approval by the Board of Commissioners, all exhibited Medical Staff Appointments and Changes, Medical Staff Reappointments, and Allied Health Reappointments.

It was moved by Commissioner Di Pietro, seconded by Commissioner McKee

THAT THE BOARD OF COMMISSIONERS APPROVE THE RECOMMENDATIONS OF BROWARD HEALTH CORAL SPRINGS MEDICAL'S MEDICAL COUNCIL OF ITEMS 5 (A-C):

- A. Medical Staff Appointments and Changes
- B. Medical Staff Reappointments
- C. Allied Health Reappointments.

Motion carried unanimously.

CEO REPORT:

Mr. Nask informed the Board that Broward Health (BH) received its second installment of \$7.5 million from Medicare for reaching Meaningful Use Phase 1. Meaningful Use Phase 1 has been completed and BH is now establishing order sets to move into Phase 2 and 3 which would allow BH to receive another \$14 million for a total of \$28 million. Mr. Nask said that BH has collected so far this year, in excess of \$14 million from Medicare and Medicaid for accomplishing the Meaningful Use targets.

On May 24th, Commissioner Paul-Hus, Art Wallace, Robert Martin and Mr. Nask went to meet with Moody's Rating Agency in New York. Mr. Nask said it was a good meeting and it lasted about 3 ½ to 4 hours. Moody's will review the information with their credit committee but assured BH would not be subject to any downgrades. Mr. Nask said that BH could remain the same A2, stable or positive outlook. Any downgrades would impact the interest expense on BH's bonds to the tune of about \$15 million a year of additional costs.

Mr. Nask reported that the fundraising event, The Night of One Million Reasons, brought in \$386,000 for the Infusion Center.

In addition, Mr. Nask reported that the RFP for the Sale and Lease (House Bill 711) was sent out. A copy of the RFP was distributed to the Commissioners for their review and information. Mr. Nask stated that responses were due back by June 15th and a complete timeline is outlined in the RFP. Commissioner Kohl, Ms. Breen and Mr. Martin plus Mr. Nask will be reviewing the responses.

With regard to the Moody's visit, Mr. Nask said there was a discussion regarding the calculation of age of plant. Mr. Nask said that what they came away with from the discussion was that it is a complicated calculation. Mr. Nask said that it's fair to say, and they agreed, that there is not an exact science and Broward Health would improve their age of plant by removing fully depreciated items rather than renovating and that is where the calculations break down. Mr. Nask explained that if a facility was completely knocked down and a new one was built in its place, it removes the accumulated depreciation. Mr. Nask said that if you continue to renovate and upgrade as Broward Health has done with its facilities, Broward Health ends up with an accumulated depreciation number which continues to increase the age of plant numbers. Mr. Nask said that they would continue to work with Moody's to try and get a more accurate number.

Commissioner Paul-Hus said that Moody's did make good comments about Broward Health's age of plant which is basically holding steady. Moody's looks at the trend line and the trend line for Broward Health has been 13 – 14 years which is actually not that bad relative to some of its competition nationally. Commissioner Paul-Hus said that even though he has always thought it was big negative, Moody's does not view it that way at all.

Mr. Nask commented that this relieves some of the stress about how much money Broward Health has to spend to upgrade the facilities. In addition, Mr. Nask said that the thing that Moody's was most comfortable with is that Broward Health has stayed out of debt for the most part and whatever capital that has been done has been done with operating cash. This gave them comfort in knowing that Broward Health was not going to expose itself. Since most of Broward Health's investments are liquid, the debt could be paid down if there was an emergency. Mr. Nask said Moody's was impressed with the way Broward Health has managed its balance sheet and hopefully that will allow them to leave Broward Health's rating at the same level. That is a significant accomplishment especially in this year.

Mr. Nask informed the Commissioners that physicians at Broward Health Medical Center began using the daVinci Robot—9 cases for the first month and Broward Health North had its first case in the OR that was approved at last month's Board meeting.

Commissioner Di Pietro asked if the bond rating could be an inhibitor as far as holding back so much cash so it does not allow Broward Health to spend on other product lines for the community. Mr. Nask said that it could be a deterrent but it is not in this case and Moody's was comfortable with the consistent level of capital and the way that it was being managed.

Commissioner Paul-Hus said that the message they took away from Moody's was that Broward Health has struck a good balance in the way that the balance sheet is managed

and maintaining a good cash position. Commissioner Paul-Hus said that the way staff manages the balance sheet is a conservative approach but given all the potential perils that lay out in front of Broward Health, this is the right track and he believes that was the message they got from their visit with Moody's.

Commissioner Kohl asked what would happen if Broward Health received a downgrade and would it cost the organization money. Mr. Nask said that he believes there is a one downgrade cushion, but Broward Health's bonds trade every seven days so if there was a downgrade below that level to a triple B, there could be an additional \$15 million in interest expense.

CFO REPORT:

In the absence of Mr. Martin, Sr.VP/CFO, Mr. Nask gave the CFO Report. Mr. Nask reported the following:

- Volumes have been soft compared to budget to prior year – 9%; decrease in uncompensated admissions; however, surgeries are up 5% mostly in the outpatient surgery area.
- Increase in short stay cases which adds back about 1% of admission volume - 3% growth in short stay cases.
- ER visits up 2%; home health visits down because of an insurance company cap on the number of visits that they will cover.
- Overall year-to-date, BH is at \$109 million loss from operations compared to a budget of \$107, so a negative variance of 1.9 million; legal expenses connected to OIG audit are over \$3.8 million; year-to-date bottom line \$6.4 million surplus compared to \$15 million budget; balance sheet 153 days cash on hand; very strong cash to debt 227% of cash to debt; debt to capitalization 27% against an 'A' rated facility of 38%; debt service coverage ratio 3.7; capital spent through June is 90% of target; through April same time last year it was 88%; this April was 102% of target, which includes the purchase price for the BHIP building.

GENERAL COUNSEL REPORT

Mr. Goren said that based on the Legal Affairs meeting this afternoon, the Item 12 (FMV Policy) should be pulled from the Consent Agenda. The other issue to be pulled from the Consent Agenda was Item 16.

In addition, Mr. Goren reminded the Commissioners that following this regular meeting of the Board, a Shade Session will be held. Case referenced on the record is Sandra Nagucki vs. North Broward Hospital District d/b/a North Broward Medical Center, Phoenix Emergency Medicine of Broward, LLC and Susan Nesselroth, M.D; case pending in the Broward Circuit Court. Mr. Goren then explained the Shade Session process in detail.

COMMITTEE REPORTS—Chair Gustafson reported that each of the Commissioners has received written minutes of the committee meetings in advance of the Regular Board meeting.

Quality Assessment and Oversight Committee – February 9, 2012

In the absence of Commissioner O’Flannery Anderson, Chair Gustafson asked for a motion to approve the minutes. It was moved by Commissioner Paul-Hus, seconded by Commissioner Di Pietro that the Board approved the minutes of the February 9, 2012 meeting as presented. Motion carried unanimously.

Building Committee – May 9, 2012

Commissioner Paul-Hus said that, given the comments from the public with regard to the sale of the Crystal Lago property, all of the backup material that has been presented to the Board and the Building Committee, all of the research that has been done with regard to this issue, and contrary to comments made by Mr. DeGroot, he is in favor of moving forward with this sale.

Chair Gustafson asked Mr. Richard Polemeni to come forward and speak to the comments made by John deGroot with regard to Crystal Lago. Mr. Polemeni addressed the comments made by Mr. deGroot.

Following Mr. Polemeni’s remarks, comments, and the answering of questions from the Board, it was moved by Commissioner Paul-Hus, seconded by Commissioner Kohl that the minutes of the May 9, 2012 meeting be approved as presented. Motion carried unanimously.

Finance Committee- May 23, 2012 – Commissioner Paul-Hus said that with Mr. Nask’s review of the Financials and other items that are placed on the Consent Agenda, he asked for approval of the minutes. It was moved by Commissioner Kohl, seconded by Commissioner Di Pietro that the minutes of the May 23rd, 2012 meeting be approved as presented. Motion carried unanimously.

Legal Affairs Committee- May 30, 2012. Commissioner Di Pietro stated that there were no minutes of the Legal Affairs committee meeting since the meeting was just held prior to the Board meeting. He stated that all items discussed and voted on have been placed on the Consent Agenda for final approval by the Board. As previously stated by Mr. Goren, Items 12 and 16 will be pulled from the Consent Agenda and Commissioner Di Pietro also asked that Items 7 and 8 also be pulled since some members of the Board were not present at the Finance Committee meeting.

AGENDA CHANGES—There were none

CONSENT AGENDA

(Items listed below were reviewed and recommended for approval by the Finance Committee meeting)

Chair Gustafson asked for a motion to approve items 6-9-10-11-13-14 and 15 as listed on the Consent Agenda.

It was moved by Commissioner Paul-Hus, seconded by Commissioner Di Pietro that the Board approve Items 6-9-10-11-13-14- and 15 as listed on the Consent Agenda. Motion carried unanimously.

6. Request consideration for the acceptance of the Interim Financial Statement for the month of April 2012.
9. Request consideration for the Board of Commissioners of the North Broward Hospital District authorize Administration to enter into an “as-is” Purchase and Sales Agreement with the highest bidder, FNJS, LLC in the amount of \$502,000 with a closing to be scheduled as soon as possible.
10. Request consideration for the Board of Commissioners of the North Broward Hospital District to authorize Community Health Services to submit a General Services and Capital Purchase Grant proposal to Broward County Human Services Division in the amount of \$71,594 for the purpose of purchasing a GenSet 200 kilowatt generator for the newly constructed Healthcare for the Homeless Health Center.
11. Waiver of Conflict-City of Coral Springs Commission—Jim Cherof’s ongoing labor involvement.
13. Settlement Authority for Claims and Litigation Matters Policy
14. Foreign Corrupt Practices Act Policy
15. Approval of Arent Fox Invoices April 30, 2012—OIG matter

DISCUSSION AGENDA-- ITEMS PULLED FROM CONSENT AGENDA.

7. Request consideration for the Board of Commissioners to authorize the President/CEO to purchase thirty-eight (38) Hill-Rom Versacare VC455AX Quantum VPC Beds for the Neuro/Telemetry Unit at Broward Health North at a total cost of \$274,624, through the Group Purchasing Organization Med Assets in accordance with Section 24 (1) of the North Broward Hospital District Charter.

Ms. Pauline Grant, CEO of Broward Health North presented Item 2. She stated that this request is part of their ongoing equipment evaluation and replacement program. Ms. Grant said that these are the same beds that were approved last month for Broward Health Medical Center. Also, this purchase was not included in the capital budget for 2012; however, the total approved capital allocation will not be exceeded.

Following Ms. Grants presentation,

It was moved by Commissioner Di Pietro, seconded by Commissioner Kohl:

THAT THE BOARD OF COMMISSIONERS AUTHORIZE THE PRESIDENT/CEO TO PURCHASE THIRTY-EIGHT (38) HILL-ROM VERSACARE VC455AX QUANTUM VPC BEDS THROUGH THE GROUP PURCHASING ORGANIZATION MED ASSETS, IN ACCORDANCE WITH SECTION 24 (1) OF THE NORTH BROWARD HOSPITAL DISTRICT CHARTER, FOR THE NEURO/TELEMETRY

UNIT AT BROWARD HEALTH NORTH AT A TOTAL COST OF \$274,624.

Motion carried unanimously.

8. Request consideration for the Board of Commissioners to authorize the President/CEO to purchase seven (7) Stryker 1488 High Definition Surgical System for the Surgical Services Department at Broward Health Coral Springs through the Group Purchasing Organization, (MedAssts) in accordance with Section 24 (1) of the North Broward Hospital District Charter, in the amount of \$643,820.

Drew Grossman, CEO Broward Health Coral Springs presented Item 3. Mr. Grossman explained that BHCS presently leases virtually its entire array of laparoscopic and endoscopic surgical equipment from both Stryker and Olympus. The Stryker equipment comprises 92% and the agreement expired on April 14, 2012. An evaluation was done to see if it was financially better to lease or purchase. Mr. Grossman said that in the final analysis, it was decided that a straight purchase was clearly the better option.

Following Mr. Grossman's presentation,

It was moved by Commissioner Di Pietro, seconded by Commissioner Kohl:

THAT THE BOARD OF COMMISSIONERS AUTHORIZE THE PRESIDENT/CEO TO PURCHASE SEVEN (7) STRYKER 1488 HIGH DEFINITION SURGICAL SYSTEM THROUGH THE GROUP PURCHASING ORGANIZATION, (MED ASSETS) IN ACCORDANCE WITH SECTION 24 (1) OF THE NORTH BROWARD HOSPITAL DISTRICT CHARTER, IN THE AMOUNT OF \$643,820 FOR THE SURGICAL SERVICES DEPARTMENT AT BROWARD HEALTH CORAL SPRINGS.

Motion carried unanimously.

12. Fair Market Valuation Policy (FMV)

Donna Lewis, Chief Compliance Officer advised the Board that this policy is the final draft which includes some minor changes that were recommended by the Legal Affairs Committee at their May meeting.

Chair Gustafson reminded the Commissioners that Broward Health has a FMV policy in place; however, it is now being updated.

Ms. Lewis said that the Policy has been fine tuned and Arent Fox, outside counsel, has reviewed it from a Stark and anti kickback perspective, to insure ongoing compliance with all of the rules and regulations.

Ms. Lewis stated that the policy has two types of FMVs: basic FMV study which would be obtained from BH's compensation and benefits department and secondly, when needed, an enhanced FMV that would be obtained from an independent evaluation company. She commented that enhanced study would be done through BH's Sr. VP/COO under legal counsel's direction just to keep some controls in place.

Commissioner Paul-Hus asked Ms. Lewis what if BH was looking at a large hospital-based contract that, according to survey, falls below the 75th percentile, would that not go out to an FMV company. Ms. Lewis explained that in the policy there is language for general physician contracts, employment contracts, PPUC and on-call contracts, then there are the hospital-based services i.e., emergency department, pathology and radiology which would require an enhanced FMV so they would come from a third party.

Commissioner Di Pietro commented that the policy defines what needs an FMV but does not define early on that anything that does not fall within the 75th percentile should go to the Board. He questioned if that needed to be referenced in the FMV policy or the Purchasing Policy.

Mr. Ezrol informed the Committee that the intent of the policy is that if Broward Health has a contract with a physician or potential referral source that is based on a total compensation, not an RVU of compensation, there is a cap that if compensation is not in excess of the 75th percentile it would not come to the Board. Commissioner Di Pietro asked if that modifies or changes the purchasing policy which has a cap of \$250,000.

Mr. Ezrol asked Commissioner Di Pietro if he was referring to the Procurement Code. If so, he said the Procurement Code does not address contracting with physicians. There are other policies that are administrative policies which have been approved by the Board and the practice has always been if compensation is not in excess of the 75th percentile then it would not come to the Board.

Commissioner Di Pietro asked if that should be incorporated by reference in the FMV policy. Mr. Ezrol said that on the last page of the policy it references all related policies and they have begun looking at those policies as well. Mr. Ezrol said that if there is a contract that is based upon a specific amount of compensation and it is not a hospital-based service and does not exceed the 75th percentile, it would not come to the Board; however, if it exceeds the 75th percentile then it would come to the Board.

Commissioner McKee asked counsel to repeat what was said about the Procurement Code not referencing physician contracts. Mr. Ezrol said that the Procurement Code has not been applied to physician contracts. The contract Signing Authority policy is separate from the Procurement Code.

Mr. Ezrol stated that the procurement of retaining physicians is not governed under the Procurement Code.

Commissioner Di Pietro asked if a group of physicians falls under the 75th percentile, does it not come to the Board for approval. Mr. Nask said that the only groups that come to the Board are hospital-based physicians.

Commissioner Di Pietro said that the proposed FMV policy references four (4) different hospital-based physicians and they require enhanced FMVs. He commented that there is this catch-all for contracts that are below the 75th percentile that do not come to the Board. He questioned if there should be a collective amount of a contract that should come to the Board.

Mr. Nask said that if a contract was with a group and was over the signing authority of \$250,000, it comes to the Board. Commissioner Di Pietro asked if Administration wanted to hire a group and they fall under the 50th percentile then under this policy technically it would not come to the Board. Mr. Nask said that was correct.

Mr. Ezrol said that the proposed FMV policy has been mirrored based upon other policies that exist that require board approval at the 75th percentile. This policy is specifically written to deal with the process of obtaining FMVs and to carry forward the Board policy and practice of bringing contracts in excess of the 75th percentile to the Board. If the Board wants to add other provisions or see other contracts based upon other thresholds, legal would look at that in the context of the other physician contracting policies that exist.

As an example, Mr. Nask explained that if a physician comes in and has three different income streams and the total compensation is under the 75th percentile, at that point, administration does a basic FMV and can execute that contract.

Commissioner Di Pietro commented so if a three-physician practice comes on board with their office staff and they fall within the 50th percentile, then that contract would not come to the Board. Commissioner Di Pietro said that his feelings were that it should be the general aggregate amount that should come to the Board including staff and physician. It looks like Broward Health is absorbing a practice that is small but it is actually a multimillion dollar engagement.

Commissioner Paul-Hus said he did not remember passing a policy that says that the staff can hire someone for a million dollars as long as it was below the 75th percentile. He said that he was under the impression that if anything comes in any procurement setting over \$250,000, it would come to the Board for review and approval.

Commissioner McKee said this was the conversation that was held over the last 14 months about what contracts should come to the Legal Affairs committee. The question has been which physician contracts should be seen by the Board. These are the very same issues that were brought up in the past.

Mr. Nask said that with regard to Commissioner Paul-Hus' comment, the three components in a contract that authorize the signing by administration of a contract

are: term limit of 3 years; below the 75th percentile; and a 90 day out clause. Mr. Nask said that this has been discussed many times.

Commissioner Di Pietro said that technically if the 21st Century contract was at the 60th percentile it would not have come to the Board. Mr. Nask said that it was below the 75th percentile and came to the Board because of the term of the contract.

Mr. Nask commented that the current Signing Authority policy was approved when Alan Levine was CEO. It was put in place to have some latitude to exercise contracts without having to bring hundreds of contracts before the Committee. The threshold that was agreed upon at that time back in 2006, was the 3 year term, 75th percentile, and an out clause so if there were any problems, administration could get out of the contract in 90 days. Mr. Nask said that Broward Health has been operating under this policy for six years.

Chair Gustafson said that this has been a good discussion; however, time is running out and nothing will happen if this is not approved today. It was the Board's decision that it be brought back to the Legal Affairs Committee in June.

Commissioner Di Pietro said he would like to give his general comments so they could be incorporated in the policy when it is brought back in June. His recommendations are:

- The Board should review every FMV, they should be read in detail from cover to cover;
- FMVs should be placed on the webpage once approved;
- There should be a Conflict policy. He commented what happens when a physician group goes out and gets their own FMV that passes and BH's FMV has some problems. Those conflicts should come to the Board.
- FMV companies should be defined in the policy.

Mr. Nask suggested that BH go through the RFP process for FMV companies. This would let BH know who the companies are and will legitimize the FMV companies so they are above reproach.

Commissioner Di Pietro asked if there were any FMV companies that focus on specialized groups such as sports medicine, etc. He said he is for standardization but when you have exceptional physicians how do we make sure we can keep them.

Ms. Lewis said that she could not speak to the services that the FMV companies provide, but the list of FMV surveys that are adopted were directly from the Stark law before it changed back in 2006; it listed the surveys that an organization had to use for FMVs. Ms. Lewis said she believes it was 4 out of 5 on average to obtain a valid FMV study and then that law was relaxed a little in 2007. Ms. Lewis stated that the FMV study is not the only component to ensure compliance with Stark and Anti Kickback. A significant component is also commercial reasonableness.

Mr. Nask said that the commercial reasonableness is important but all of BHs physicians will come up with a reason for them not to fall under the guideline.

Commissioner Di Pietro asked to have the policies relating to purchasing and physicians that were referenced during this meeting sent to him.

Commissioner Di Pietro moved that this item be tabled and sent back to the Legal Affairs Committee. Seconded by Commissioner McKee, Motion carried unanimously.

16. Approval of Hourly Rate Adjustment for General Counsel

Mr. Goren requested an adjustment to the hourly rate that is currently being charged by Mr. Goren's law firm to the District. The contract contemplates periodic review of that issue. The last time that was reviewed publicly was when they were initially engaged at \$195 per hour. Mr. Goren asked for a 5% increase from \$195 to \$205 per hour.

Commissioner Di Pietro said he likes rewarding hard working people and Mr. Goren is in that category, along with physicians, nurses and staff, but he wants to make sure that it is done in an administrative way. Commissioner Di Pietro said that Sam has done an excellent job and **he moved that the Board approve a 5% increase from \$195 to \$205 per hour. Seconded by Commissioner Paul-Hus.**

Commissioner McKee said that Mr. Goren does a great job, but would like to have a discussion at the Legal Affairs Committee about going back to the model of having in-house counsel. Commissioner McKee stated that this was no reflection on Mr. Goren's firm. He noted that Mr. Goren's firm did an extensive analysis highlighting the differences in cost between in-house counsel and outside counsel last year.

Mr. Goren said that he would be happy to reproduce and update that report and provide it to Commissioners who are new to the Board. Mr. Goren stated, but for the OIG matter, the legal overall budget has come down.

Motion carried unanimously.

COMMENTS BY COMMISSIONERS

Commissioner Kohl said that she attended the Community Relations Council meeting at Broward Health Coral Springs. Mr. Grossman did a nice job introducing her to all of the community leaders that were present and in summarizing the HB711. Representative from Knights of Columbus presented a check from their golf tournament, and Barbara Epps spoke about community outreach and did a great job in discussing the rebranding of the hospital as well as explaining the benefits to the hospital.

Commissioner Di Pietro distributed an article to the Commissioners about 'Hospital within a Hospital'. He said he thought it was a pretty good article and wondered whether BH could potentially bring its Heart Center into a Heart Hospital. Since BH is

rebranding, can BH rebrand the Heart Center to Broward Heart Hospital. The article addresses the pros and cons. He also mentioned that the Hybrid Lab was up and running at BHMC.

Mr. Nask said that Calvin Glidewell will be making a presentation at the Building Committee regarding this. He said that there are six components that are currently missing to be a heart hospital.

At this time the Board recessed at 5:30 to go into a Shade Session.

At 5:55 p.m. the Board re-convened.

Chair Gustafson advised the Board that the next meeting will be held on June 27, 2012 at 4:00 p.m. in the conference center at Broward Health North, 201 East Sample Road, Deerfield Beach, Florida.

Meeting adjourned at 6:00 p.m.

Respectfully submitted,
Richard Paul-Hus, Secretary/Treasurer

BY: Maryanne Wing

A FULL RECORDING OF THIS MEETING IS AVAILABLE ON TAPE