NORTH BROWARD HOSPITAL DISTRICT
BOARD OF COMMISSIONERS’
REGULAR MEETING
Monday, September 24, 2012 -4:00 p.m.
Broward Health North – Conference Center

MINUTES

The Regular meeting of the Board of Commissioners of the North Broward Hospital District was held on Monday, September 24, 2012 at 4:00 p.m. in the Conference Center at Broward Health North, 201 East Sample Road, Deerfield Beach, 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 4:05 p.m.

ROLL CALL

Commissioners:
Present: Commissioner Joel Gustafson – Chair
Commissioner Jennifer O’Flannery Anderson – Vice Chair
Commissioner Richard Paul-Hus - Treasurer/Secretary
Commissioner Miguel Fernandez - Board Member
Commissioner David Di Pietro - Board Member
Commissioner Clarence McKee – Board Member
Commissioner Debbie L. Kohl – Board Member

The invocation was given by The Reverend Father Fritzner Bellance of St. Elizabeth Hungary Church, followed by the Pledge of Allegiance led by Pauline Grant, CEO, Broward Health North

Mr. Nask informed the Commissioners that Commissioner McKee has suggested that Broward Health (BH) begin a process of recognizing its Community Relations Council (CRC) members. Mr. Nask stated that Commissioner McKee has nominated someone from the Primary Care CRC of which he is the Chair. Mr. Nask commented that in the future he would like for each of the CEOs to nominate a member from their CRC each quarter.

Commissioner McKee nominated The Reverend Marguerite K. Luster. He said that one of the great pleasures he has had was being Chairman of the Primary Care CRC. Commissioner McKee stated that at every single meeting, except possibly for one, there was lady that would come into the room and when committee members introduced themselves, she would say ‘Community Activist’. Commissioner McKee read a brief bio on Rev. Luster as well as noting some of the awards that she had received over the years.

Ms. Jasmin Shirley, VP of Community Health Services (CHS) said it was a pleasure to nominate Rev. Luster as the best and brightest from the Primary Care CRC. She is an avid customer of
BH’s healthcare services. She is always at the CRC meetings with her notes bringing back positive as well as negative feedback that BH can always improve upon but she does it with a gracious spirit and a kind heart. She is an advocate in the community for BH’s services far better than anyone BH could ever have to advocate for its services.

At this time, Commissioner McKee presented Rev. Luster with the first ever Primary Care CRC Award. In addition, Ms. Shirley presented Rev. Luster with a gift basket which was prepared by Ms. Astrid Perovanovic, a CHS staff member.

Rev. Luster addressed the Board and said that she was so humbled by this experience this afternoon. Rev. Luster told the Commissioners that her motto is “that the work that I have done speaks for me”.

COMMENTS FROM AUDIENCE:

Mr. John deGroot addressed the Board of Commissioners about his dissatisfaction with their lack of knowledge when it comes to approving the budget.

APPROVAL OF MINUTES

1. Request approval of the Minutes of a Regular Meeting of the Board of Commissioners held August 29, 2012 Board of Commissioners meeting.

   It was moved by Commissioner O’Flannery Anderson, seconded by Commissioner Fernandez:

   THAT THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS HELD ON AUGUST 29, 2012 BE APPROVED AS PRESENTED.

   Motion carried unanimously.

2. Request approval of the Minutes of the Special Meeting of the Board of Commissioners First Tax Hearing held on September 17, 2012.

   It was moved by Commissioner O’Flannery Anderson, seconded by Commissioner Kohl:

   THAT THE MINUTES OF THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS FIRST TAX HEARING HELD ON SEPTEMBER 17, 2012 BE APPROVED AS PRESENTED.

   Motion carried unanimously.

   MEDICAL COUNCIL AGENDA

3. BROWARD HEALTH NORTH – (BHN)

   Dr. Ford provided the following update:
• BHN is continuing with its renovations. The Freidman White group has completed the flow study of the operating room and emergency room. It was noted that since BHN is an existing hospital trying to expand some of the flow will not be as smooth as it would be if building a new facility.

• Heery Group, the design company, is looking at the facade as well as the energy plant. Continuing to have ongoing cost analysis and development sessions.

• Dr. Lynn, Interventional Neuro-Radiologist, held a lecture at Doctor’s Hospital in the Bahamas. It was very well received with over 100 attendees.

• All the Physicians who work in the Bi-Plane Suite are very happy with the renovations.

Dr. Douglas Ford Chief of Staff of Broward Health North, 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 Changes and Resignations; Medical Staff Reappointments; Allied Health Reappointments

It was moved by Commissioner Fernandez, seconded by Commissioner O’Flannery Anderson:

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

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

Motion carried unanimously.

Chair Gustafson thanked Dr. Ford for inviting him to their Medical Staff Council meeting last month. Dr. Ford extended the invitation to all of the Commissioners.

Dr. Ford also informed the Commissioners that at the end of the Joint Commission Survey, while walking the surveyors out, a patient’s family member stopped him and mentioned how happy she was with the service her family member was receiving at Broward Health North. He said it was nice to have the Joint Commission surveyors hear her comments.

4. BROWARD HEALTH CORAL SPRINGS (BHCS)

Mr. Drew Grossman, CEO, informed the Commissioners that on October 1st, BHCS will begin their Eagle Hospitalist program which was approved in May 2012. He said that they were looking forward to begin this program to further improve quality of care and their efforts with length of stay, ER response times, and cost per case and HCAHPS scores as well as patient discharges by noon which would help with patient flow.

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

It was moved by Commissioner Paul-Hus, seconded by Commissioner O’Flannery Anderson:

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
B. Medical Staff Reappointments
C. Allied Health Reappointments.

Motion carried unanimously.

Mr. Nask asked Mr. Grossman to provide an update on the new Triage program which was recently initiated at BHCS. Mr. Grossman informed the Commissioners that the Triage program began August 1—there is a physician stationed in the triage area from 11 a.m. to 11 p.m. On an average BHCS was experiencing a 4.5% or at times 6.5% of its patients leaving the ER without being treated. Just after one month of this program being initiated, Mr. Grossman stated that the percentage has come down to 1.2%.

Mr. Nask said that this was one of three components of throughput and length of stay to get ready for this season so BHCS would not begin experiences those issues again. The others were the Hospitalists program and a discharge lounge which is turning out to be something that is not needed.

5. BROWARD HEALTH MEDICAL CENTER – (BHMC)

Mr. Glidewell provided the following update:

- BHMC received a Medical of Honor from the US Health Resources and Services Administration for the 4th year in row for its organ conversion rate being above 75% for trauma patients whose organs are turned over to organ procurement agency.
- BHMC is beginning renovations of their Mother Baby Units the first week of October. That is the first phase of a larger CECH renovation. It is a six year plan that includes moving 4 ST to 6NT on October 1 and very shortly thereafter begin renovations of 3 and 4 South Towers to have the Mother/Babies suites refurbished.
- On September 28, BHMC will be renovating their Adult Infusion Center which is funded through gifts from the Foundation.
- Completed a lease with FIU for some private practice behavioral clinic space in the West Wing.
- Working very closely with the leadership team and holding town hall meetings kicking off cultural initiative for staff. The theme is “BE A HERO”.

In the absence of Dr. Rajiv Chokshi, Chief of Staff of Broward Health Medical Center, Calvin Glidewell, CEO, 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; and Community Health Services and Weston Urgent Care Center Reappointments.

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

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

Motion carried unanimously.

6. BROWARD HEALTH IMPERIAL POINT- (BHIP)

Dr. Groene provided the following update:
- Dr. Richard Ott has been nominated to replace Dr. Martin Parra as the Secretary for the Department of Surgery.
- Continuing to assist administration with the interviewing of hospitalists.
- C&Q Committee along with the Medical Council has scheduled an ad hoc committee meeting to develop a corrective action plan related to the Joint Commission findings on the focus of professional practice evaluation, held on September 26th. A written report presented to Joint Commission.

Dr. Linda Groene, Chief of Staff of Broward Health Imperial Point, 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 O’Flannery Anderson, seconded by Commissioner Paul-Hus:

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.

CEO REPORT:

Mr. Nask announced that Ms. Jasmin Shirley was recognized as the recipient of the Legacy Award. The Legacy Award recognizes the TOP 25 Back Women in Business in South Florida. Mr. Nask said that there was a story in the Miami Herald Business section congratulating Ms. Shirley.

Mr. Nask reminded the Commissioners that last month he spoke to them about the Joint Commission results. At last month’s meeting, Mr. Nask said that he only mentioned the Direct RFIs which was a smaller number. However, the summary that will be sent out to them will list all of the RFIs direct and indirect for each facility. It also shows the comments made by the Joint Commission surveyor and where each facility is in their correction action process. It was noted by Mr. Nask that most of them have already been corrected.

CFO REPORT:

Mr. Robert Martin, Sr.VP/CFO presented the Interim Financial statement for the Month of August and the first two months of the current fiscal year.

Mr. Martin stated that overall volume was soft across the system; however, BH was able to manage its costs very effectively. He then reviewed the data for the individual hospitals. Again there is an increase in short stay cases and a drop in admissions. Countywide admissions are down in the Public Hospitals; however, they are up in private hospitals. Memorial and BH were down 3% and private hospitals were up 3%. Short stay cases are up across the county. BH is up 8%; Memorial is up 5% and private hospitals are up 10%.

Mr. Nask said that BH and Memorial are down about 300 admissions and the private hospitals were up about 300 to 400. On the short stay cases, the growth across the region is about 1,000. Cases are being converted to short stay cases. For both Memorial and Broward Health short stay cases have increased and admissions have decreased about the same. Private hospitals are seeing an increase in both short stay cases and in admissions. Mr. Nask said that these figures are from the first two months of the Broward County Health Planning Council (BCHPC). He said that this information will need to be tracked to see how current BCHPC is in their data. Mr. Nask said that September is a much better month for Broward Health.

Mr. Martin than provided a detail report on the August Financials which included: a statistical overview; Operating statement; Operating Results by Medical Centers; Operating Indicators; Key Financial Indicators; Total Cash Collected; Days in AR; Cash Flow Statement; and Community Benefit Summary. Highlights of the report:

- Admissions down 3% or 400 admissions;
- Short stay cases are up 9% over the prior year and BH is up 310 cases on short stay—80% of the drop in admissions is being picked up by short stay cases;
- Outpatient volume down 6%, due to the change with 21st Century, last year they were counted as visits, this year they are not; emergency room volume up slightly from the prior year.
- Net operating revenue for the month of $82.3 million--$1.1 million short of budget;
- Salary and benefits reflected down for the volume—favorable to budget by $1.6 million--some was attributed to asking employees to take vacation due to soft volume. Mr. Martin said he was happy with the way BH was managing resources.
- Supplies were up $500,000 due to implant volume; other expenses favorable by $600,000.
- Total expenses for the month were $93m--$1.7 million favorable to budget.
- Net loss from operations was $10.8 million vs. a budgeted loss of $11.4 million—$600,000 favorable to budget.
- Investment income was $7.5 million vs. a budget of $1 million—showing a positive pickup of $6.5m; excess for the month was a gain of $8.1 million vs. a budgeted gain of $7.1 million ahead of budget for the month.
- Community Benefit Summary—total cost is at $52.9 million about $700,000 higher than budget due to charity cases—total funding $35.7 million vs. a budget of $36 million. For the first two months, benefits costs in excess of funding are at $17.2 million vs. a budget of $16.2 million unfavorable by a $1 million through the first two months.
- Days cash on hand 186.5 days up 5 days from year end;
- Days in AR 54.3 up slightly from year end;
- Cash to debt very strong 206%;
- Debt to capitalization down to 27.4%; debt service coverage 4.1;
- Total cash collected for the month $70 million which was a little weak;
- Days in AR by facility grew from 53.8 days to 54.3 days this month.
- Cash flow statement $532 million picked up $38 million for the first two months; factoring in the ad valorem taxes—ending cash balance at the end of August was $550 million which was a net pickup for the first two months of $17 million.

Mr. Nask commented that as a Safety Net Hospital, BH gets an enhanced Medicaid rate. However, BH has not signed its contract with the state so it is not using the enhanced rate. Therefore, at some point, there might be some additional revenue after everything is reconciled. Mr. Nask said that this happens every year in the first quarter. BH uses the base Medicaid rate which is 55% of cost and the enhanced rate goes up to 90%.

Commissioner Paul-Hus commented on his recent trip to New York along with Mr. Nask, Mr. Martin and Mr. Wallace to visit with Standard and Poor’s. They met with Mr. Martin Arrick from Standard and Poor’s who has been analyzing BH since the 90s. He said at one time BH was on a watch list; downgraded; and in the 2000s BH has gone to stable, upgraded to A and has been on positive outlook. After the end of their meeting with S&P, Mr. Arrick’s perspective was that if BH was ever going to get an upgrade to A+ now would be that time and more than likely that would be the recommendation that he will be making to the committee.

Commissioner Paul-Hus said that despite what Commissioners hear from people who talk about the Commissioners being hoodwinked as to the financial performance and the health of BH, S&P’s has reaffirmed for Commissioner Paul-Hus that BH’s leadership team has been moving the ball in the right direction such that BH may receive an A+ rating. This is coming from an
analyst who has been following BH since the ‘90s. Commissioner Paul-Hus said that BH will not know what will happen when it goes to Committee because there is a very structured approach to ratings but it was very positive to hear what Mr. Arrick had to say. Commissioner Paul-Hus said that the numbers speak for themselves and they are trending in the right direction.

GENERAL COUNSEL REPORT

Mr. Goren advised the Commissioners that he has two requests for a Shade Session following the October 31 Board of Commissioners meetings. These two cases are on the docket to be heard at the end of October beginning of November. The two cases are: Sofia Vega vs. NBHD case no. 11-16417 Sub. Section 25 (Florida civil rights case); and Walter O’Neill case no. 10-45224 (age discrimination case). The outside attorney for both cases is Caren Rothchild of Greenberg Traurig.

Mr. Goren then discussed the memorandum relating to the Medicaid billing issue that was sent to the Commissioners showing an analysis regarding the current relationship that BH has with Broward County. Mr. Goren commented that during the 2012 Legislative Session, the Florida Legislature adopted HB 5301 which was signed into law by Governor Scott and became effective July 1, 2012. The law revises the methodology for determining a county’s eligible recipients for the purpose of county contributions to Medicaid and revises the methodology for collecting those funds. Mr. Goren informed the Commissioners that the County Commission through their legal counsel has filed a petition before an Administer of Law Judge under Chapter 120 FL. Stat., requesting a review of the order that were entered in accordance with the Statute that certifies what allegedly BH owes Broward County. Following further conversation relating to HB 5301, Mr. Goren requested the Board moving forward to approve participating in a petition with Broward County to challenge the Medicaid County Funding Certification from the state. Mr. Goren said that BH is current in its payments to the County; however, there is an issue as to what is owed retrospectively beyond the current payments. Mr. Goren also explained the entire process for joining in this petition.

Commissioner Di Pietro asked if BH would need to hire outside counsel and what would the cost be. Mr. Goren replied no. Mr. Goren replied that he would be able to give an estimate between now and the next Legal Affairs Committee meeting as to cost.

Chair Gustafson asked Mr. Goren to state the motion: It is a motion for Broward Health to engage in a currently pending State of Florida Agency for Healthcare Administration petition filed by Broward County against AHCA regarding the interpretation of Statute which is referred to as Chapter 2012-33. It was moved by Commissioner Di Pietro, seconded by Commissioner O’Flannery Anderson. Motion carried unanimously.

Mr. Goren then provided an update on the District possible Smoking Regulations. He said that his firm has made some efforts to do some surveys as requested. However, many of the District’s private competitors do not choose to disclose their private information which Mr. Goren found to be very unique since the District shares its information. A Memorandum is being prepared and will be shared with the Commissioners, professional staff and physicians who have an interest in this matter. The memorandum will provide some recommendations.

COMMITTEE REPORTS—
Quality Assessment and Oversight Committee – August 23, 2012 –
Commissioner O’Flannery Anderson deferred to Dr. Boutin. Dr. Boutin said that a copy of the minutes was distributed prior to the Board meeting. There were no items that required a vote by the Board; however, he said that for the last QAOC meetings, there were no members of the Board present. Dr. Boutin said that if the time of the meetings need to be changed to accommodate the Commissioners who are members of the committee, staff is willing to change the time to any other time that would be more convenient. Dr. Boutin said that it is important to have Board participation on this committee at least to meet the requirements of the Commissioners’ Bylaws.

Dr. Boutin said that there are three members of the Committee (Commissioners’ McKee, Di Pietro and O’Flannery Anderson). Commissioner Di Pietro said that 8 a.m. is too difficult for him.

Mr. Nask asked if 4:00 p.m. would be a better time. There was no decision made on this subject.

It was moved by Commissioner Fernandez, seconded by Commissioner O’Flannery Anderson that the Board approved the minutes of the QAOC Committee meeting dated August 23, 2012. Motion carried unanimously.

Audit Committee – September 21, 2012 – Commissioner Debbie Kohl reported that all members of the committee were present as well as members of management. Ms. Payne of Price Waterhouse provided a summary of the audited financial statement as well as the required communication to the Audit Committee. A motion was made and seconded and approved unanimously. Commissioner Kohl said that Ms. Payne was present should any Commissioner have questions relating to the Audit. Her report indicated that they had cooperation from the staff and the audit was going well.

In the second part of Ms. Payne’s presentation, she explained that she had reviewed the matrix revolving around the management incentive plan and that those numbers were in-line with what was approved by the Board in August of 2011. It was moved and seconded that the management incentive plan payments be made. It was also recommended by Mr. Nask that all staff receive one (1) days pay as a further incentive. That motion was made and seconded and unanimously approved.

Ms. Panyi presented her Executive Summary report: 4 reviews and 5 projects in progress. Ms. Lewis then reviewed the Compliance report where she discussed revisions to Compliance policies.

Commissioner McKee said he agreed with the bonus for the staff but dissents to the management bonus.

Commissioner Di Pietro questioned if by approving the Audit committee minutes were they approving the incentive plan payout. Mr. Nask replied yes. Commissioner Di Pietro felt that since he has not seen any of the numbers relating to the Incentive Plan, he could not approve it. He recommended that the incentive plan be tabled until the numbers could be reviewed.

Commissioner Kohl said that PriceWaterhouse reviewed the numbers and determined that they complied with what the Board approved back in August of 2011.

Commissioner Di Pietro said that since he had not seen the numbers, he would abstain from voting.

Mr. Goren said that he could vote no, but could not abstain from voting unless he had a conflict.

Chair Gustafson said that Commissioner Di Pietro’s concern was that he has not seen the numbers for the incentive plan payout and would like to look at them before voting.
Commissioner Fernandez said that this would delay the management incentive bonus pay out which was going to be distributed this coming Friday until October.

Commissioner McKee asked when they approved the incentive bonus payout. It was explained that the payout would be approved by approving the Audit Committee minutes.

Commissioner Di Pietro said that the Audit Committee met on Friday, August 21 and he did not receive any information until Monday. He said that basic due diligence requires him to at least review it the information before voting. Without reviewing the numbers, he was unable to support it.

Commissioner Kohl said that the Board back in 2011 agreed as to how the payout was to be paid and how the calculations were to be made and PriceWaterhouse has attested to those calculations.

Mr. Nask said that PriceWaterhouse has acknowledged the calculations and has validated the percentages and the Audit Committee is recommending to the Board that the payout be approved.

Commissioner Di Pietro moved to table the Incentive payout until the next Board meeting so that the Board had an opportunity to review the information. He said that he regrets doing this but he had no idea that a payout was going to be Friday and strongly feels that he needs to have due diligence with regard to the numbers.

Commissioner McKee asked if Commissioner Di Pietro was tabling both the staff bonus and the incentive plan payout. Commissioner Di Pietro said both. He explained that usually when approving minutes you are approving a record; however, this is approving financial money which is much different than what he has seen since he has been at BH. Commissioner Di Pietro said he was not saying yes or no but saying that he needed to review the numbers before approving the incentive payout.

Commissioner Di Pietro said rather than hold up the incentive payout, he would vote no; however, in the future when approving financials he needs to see the information first. For the record, Commissioner Di Pietro did not feel that this was an appropriate way to do things because they have normally approved minutes which are a record and not financial payouts.

Mr. Nask explained to Commissioner Di Pietro the process that was followed when the Incentive Plan was approved back in August of 2011. He commented that it is a very comprehensive plan that consists of a matrix of all of the HCAHPS scores; core measures; financial targets consisting of 3 or 4 pages of achievements that hospitals need to meet. He said that some hospitals achieved as low as 25% of their numbers and some were higher. After the audit is completed, the Audit committee and the audit partner validate the calculations and the percentages. Mr. Nask said that this has been the process since 2003.

Commissioner O'Flannery Anderson said that when there are action items included in minutes that require board approval, those action items need to be detailed in the Consent or Discussion agenda. She said that she agreed with Commissioner Di Pietro when he says that when approving minutes you are approving a record of a meeting. However, Commissioner O'Flannery Anderson said when putting the budget together last year the Incentive Plan was explained in detail.

Commissioner Di Pietro withdrew his motion to table.
Chair Gustafson asked if there was a motion to approve the Minutes of the Audit Committee. It was moved by Commissioner Fernandez, seconded by Commissioner Paul-Hus. Motion approved. 2 opposed. (Di Pietro and McKee)

Pension and Investment Committee – September 7, 2012 – Commissioner Miguel Fernandez reported that all members were present. Northern Trust Company presented the market value of $5,149,836 against a cost base of $5.1 million. Current yield was 2.8% and there was a profile of the Asset Allocation included within the minutes as Attachment A Congress Asset Management conducted a review of the Private Equity portfolio as of 6/30/2012---total value for both funds equals $25 million with another $11 million in remaining commitments. Through the second quarter of 2012, the one year return for the Private Equity portfolio was approximately 11.1%. A valuation summary of the Private Equity portfolio is included in Attachment B. Larry Marino of Segal Rogercases (Segal) presented the unrestricted Surplus Fund which totaled $342,474,819. It had a loss for the quarter of 2.87% and the one year return reported 0.17% loss. Three year returns equal 13.08% vs. a benchmark of 12.51%. Details were included in Attachment C. Pension Fund balance totaled $238,511,315. Details included in Attachment D. There were also presentations from two other companies that the committee was considering terminating relationship with, one was INTECH and other Southeastern Asset Management. No decision was decided regarding the termination. Southeastern Asset Management has been managing BH’s Pension Fund since 1996. Lastly, there was a discussion of possibly adjusting BH’s expected return from 8.5% on Pension Fund to 8.25% or even 8%. Commissioner Fernandez explained that by doing this each point .25% would have a $450,000 impact to BH’s bottom line. This is something that management is reviewing and will be giving the Committee a recommendation at their next meeting.

It was moved by Commissioner O’Flannery Anderson, seconded by Commissioner Paul-Hus that the minutes of the Pension and Investment Committee of September 7, 2012 be approved s presented. Motion carried unanimously.

At 5:30 p.m., the Regular Board of Commissioners meeting recessed to move into the Second and Final Tax Hearing.

At 6:05 p.m., the Regular Board of Commissioners meeting reconvened. Roll call showed all Commissioners were present.

DISCUSSION AGENDA


Chair Gustafson commented that following the report given by Mr. Martin—if there was no further discussion, it there a motion to approve Item 7.

It was moved by Commissioner O’Flannery Anderson, seconded by Commissioner Paul-Hus:

THAT THE BOARD OF COMMISSIONERS ACCEPT THE INTERIM FINANCIAL STATEMENTS FOR THE MONTH OF AUGUST 2012.

Motion carried unanimously.
8. Approval for payment of the Arent Fox OIG Invoices for August 2012.

Commissioner Di Pietro informed the Board that he had spoken with Linda Baumann, Jock Smith and their head paralegal. **This bill is the bill for services in July.** He asked Ms. Panyi, BH’s Chief Internal Audit to audit the bills. He said that there were a few minor items but it is still hard to read the bills. Commissioner Di Pietro asked Ms. Baumann where BH was going to be by year end. It was noted that BH is still looking at another bill around $300,000 but he was informed that the next three preceding months thereafter should be in and around $100,000 because the document review will be completed. He said after that there will be a lot of legal work and depending on what happens with the case, the bills should dramatically go down.

It was moved by Commissioner O’Flannery Anderson seconded by Commissioner McKee:

**THAT THE BOARD OF COMMISSIONERS APPROVE THE ARENT FOX OIG INVOICES FOR THE MONTH OF JULY 2012.**

Motion carried unanimously.

9. Approval of the Third Amendment to the Affiliation Agreement between North Broward Hospital District d/b/a Broward Health and Florida International University Board of Trustees.

Mr. Glidewell stated that back in 2010, the Board approved an affiliation agreement with FIU. In 2011, there was an amendment which added a little more structure to the medical students coming to BH. Mr. Glidewell said that they have been deliberating adding residents to the program from FIU in July of 2014. This third amendment contemplates that BH will add residents to the mix of medical students currently in place and speaks to that process.

It was moved by Commissioner O’Flannery Anderson, seconded by Commissioner Fernandez:

**THAT THE BOARD OF COMMISSIONERS APPROVE THE THIRD AMENDMENT TO THE AFFILIATION AGREEMENT BETWEEN NORTH BROWARD HOSPITAL DISTRICT D/B/A BROWARD HEALTH AND FLORIDA INTERNATIONAL UNIVERSITY BOARD OF TRUSTEES.**

Motion carried unanimously.

**COMMENTS BY COMMISSIONERS**

Commissioner Fernandez complimented Mr. Nask and the management team for a good year. He said the news from Standard and Poor’s was very refreshing and basically a confirmation that administration is doing a good job in these tough times.

**NEXT REGULAR BOARD MEETING**
The next regularly scheduled Board of Commissioners' meeting will be held on October 31, 2012 at 4:00 p.m. in the Broward Health Coral Springs, Medical Office Complex 1st floor Conference Room, 3100 Coral Hills Drive, Coral Springs, Florida.

Meeting adjourned at 6:25 p.m. 

Respectfully submitted,
Richard Paul-Hus, Secretary/Treasurer

BY: Maryanne Wing

A FULL RECORDING OF THIS MEETING IS AVAILABLE ON TAPE