The Regular meeting of the Board of Commissioners of the North Broward Hospital District was held Wednesday, December 17, 2014, at 10:30 a.m. in the Private Dining Room at Broward Health Imperial Point, 6401 North Federal Highway, 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 Di Pietro called the meeting to order at 10:30 a.m.

ROLL CALL

Commissioners:
Present: Commissioner David Di Pietro – Chair
Commissioner Joel Gustafson – Vice Chair
Commissioner David Nieland - Board Member
Commissioner Rocky Rodriguez - Board Member
Commissioner Darryl Wright – Board Member
Commissioner Maureen Canada – Board Member
Commissioner Sheela VanHoose – Board Member

Chair Di Pietro welcomed Commissioner Canada and Commissioner VanHoose to the North Broward Hospital District Board of Commissioners.

OATH OF OFFICE – Commissioner Maureen Canada
The Oath of Office was administered to Commissioner Maureen Canada by her brother Christian Spieker. Standing with Commissioner Canada was her sister Deborah Edwards. Also in attendance was her mother, Mary Spieker and a dear friend Craig Travis.

OATH OF OFFICE – Commissioner Sheela VanHoose
The Oath of Office was administered to Commissioner Sheela VanHoose by Senator George LeMieux. Standing with Commissioner VanHoose was her husband, Jarrod.

Commissioner VanHoose recognized Rep. Gwendolyn Clarke-Reed who was sitting in the audience. Commissioner VanHoose said that she has spent a lot of time in education meetings speaking with the Representative and it is great that she can be present today. Commissioner VanHoose commented that Rep. Clarke-Reed does great work for the District.
Chair Di Pietro said that Representative Clarke-Reed is a great advocate and shows up regularly at the District’s meetings and keeps the Board in line. Chair Di Pietro said he appreciates her service and attendance.

The invocation was given The Reverend Greg Fitch of John Knox Village followed by the Pledge of Allegiance led by Alice Taylor, CEO Broward Health Imperial Point

ELECTION OF SECRETARY/TREASURER
Mr. Goren informed the Board that there is a vacancy on the Board position referenced as the Secretary/Treasurer which was formerly filled by Commissioner Debbie Kohl. It would be appropriate today to undertake the nomination and or motion to fill that position for the balance of the remaining term which would be October 2015.

Chair Di Pietro opened up nominations for the position of Secretary/Treasurer. Commissioner Wright nominated Commissioner David Nieland. Commissioner Gustafson moved to close nominations, seconded by Commissioner VanHoose. There being no further nominations, nominations were closed.

Chair Di Pietro asked for motion to ratify Commissioner Nieland as Secretary/Treasurer. It was moved by Commissioner Rodriguez seconded by Commissioner VanHoose that the Board ratify the nomination of Commissioner Nieland as Secretary/Treasurer. Motion carried unanimously.

Mr. Goren advised the Chair that legal was about to provide 2-hours of ethics/sunshine and public records training to the new Board members. Included in the documents would be the white book which is the Charter and lists all of the Board committees.

Chair Di Pietro said that he had just recently completed the committee appointment and asked if it would be okay to wait until January for him to make some new appointments to the committees. Commissioner Nieland said that he was okay with waiting since they will be addressing the formation of a new committee as well. Commissioner VanHoose said that she would like to review all the information about the different committees before making a decision. Chair Di Pietro said that he would wait to appoint committee members.

COMMENTS FROM AUDIENCE:

Representative Clarke-Reed congratulated the new Commissioners as well as Dr. El Sanadi as the new President/CEO who will be assuming that position this morning.

Representative Clarke-Reed said that she brings greetings from House District 92 and thanked Commissioner Wright for participating in the Deerfield Beach Veterans’ Day event at the high school. There was a lot of good comments and truly appreciated his involvement.

Representative Clarke-Reed informed the Commissioners that she is the Vice Chair of the Broward Delegation and very concerned about the mental health issues that we are facing not only in Broward County but across the nation. She said that having just returned from Texas for the National Black Caucus of State Legislators meeting, mental health was of great importance at this meeting. She said that she was looking forward to having some dialogue on the mental health services that are being provided by Broward Health. She thinks that everyone needs to think outside of the box about what is being done. Representative Clarke-Reed commented that she was looking forward to meeting with anyone on the Board to discuss this issue.
Chair Di Pietro suggested that Commissioner Rodriguez could be the point person since he has spent decades of working on substance abuse and mental health issues. Commissioner Rodriguez said he would be happy to work with the Representative.

In addition, she said that she was looking forward to getting BH’s legislative package and working with BH’s lobbyist. She informed the Commissioners that she is serving on the following committees: Full Appropriations; Health Care; Children’s/Family and Senior’s and again on Veterans and Military Affairs. As those committees interact with the health population, she is looking forward to hearing from BH.

**APPROVAL OF MINUTES**

1. Request approval of the Minutes of the Regular Meeting of the Board of Commissioners held on November 19, 2014.

   **It was moved by Commissioner Rodriguez, seconded by Commissioner Nieland:**

   THAT THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS HELD ON NOVEMBER 19, 2014 BE APPROVED AS PRESENTED.

   Motion carried unanimously.

2. Request approval of the Minutes of the Special Board of Commissioners meeting held on December 9, 2014.

   **It was moved by Commissioner Rodriguez, seconded by Commissioner Gustafson:**

   THAT THE MINUTES OF THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS HELD ON DECEMBER 9, 2014 BE APPROVED AS PRESENTED.

   Motion carried unanimously.

3. Request approval of the Minutes of the Special Board of Commissioners meeting held on December 10, 2014.

   **It was moved by Commissioner Rodriguez, seconded by Commissioner Canada:**

   THAT THE MINUTES OF THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS HELD ON DECEMBER 10, 2014 BE APPROVED AS PRESENTED.

   Motion carried unanimously.
4. **BROWARD HEALTH IMPERIAL POINT**

Dr. Lewkowitz welcomed the new Board members and on behalf of the Medical Staff at BH Imperial Point he wished everyone a Happy Holiday and Happy and Health New Year.

He then provided the following update:
- On December 4th, the Medical Staff held its annual holiday party; toys and money was collected and donated to the CDTC.

Dr. Howard Lewkowitz, 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 Gustafson, seconded by Commissioner Rodriguez:*

**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 MEDICAL CENTER**

Dr. Yogel welcomed the new Commissioners and wished Happy Holidays to all on behalf of BH Medical Center.

He then provided the following update:
- BHMC began the transition to CPOE in the Labor and Delivery area in early December.  
- BHMC facilitated the health insurance exchange plan for MOPED for the following year.  
- Began the process of duel coding with ICD-9 and 10 for patient records which is in preparation for implementation of ICD-10 which is going to be upon them in October of 2015.  
- Achieved full accreditation from the American College of Radiology for Nuclear Medicine for 3 years.  
- Received certification from the American Association of Cardiovascular and Pulmonary Rehabilitation for Pulmonary Rehab program.
Chair Di Pietro informed the Commissioners that he has one disclosure relating to a former client Dr. Victor Toledano. The Chair stated that he had recused himself on numerous occasions before whenever Dr. Toledano came before the Board. Chair Di Pietro said he spoke with Mr. Goren about this and informed him that Dr. Toledano is no longer a client of Chair Di Pietro.

Mr. Goren stated with regard to a Chapter 112 voting issue. Chair Di Pietro has been very astute in clarifying that relationship over the past months and years; however, since there is no longer a lawyer/client relationship with the physician there is no longer a voting issue. Chair Di Pietro will be allowed to vote today.

Dr. Louis Yogel, Chief of Staff of Broward Health Medical Center, 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 Gustafson, seconded by Commissioner Rodriguez:

That the Board of Commissioners approve the recommendations of the Broward Health Medical Center’s Medical Council of Items 5 (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.

Dr. Yogel congratulated Dr. Nabil El Sanadi on his new position.

6. **BROWARD HEALTH NORTH**

Dr. Hoffberger welcomed the new Commissioners and then provided the following update:

- BHNorth was recently accepted into the AHRQ (Agency for Healthcare Research and Quality) which is a learning community comprised of hospitals that focus on improving patient and family engagement.
- BHNorth also hosted the inaugural meeting of our Patient and Family Advisory Council. This council is comprised of former patients and families. As the “voice” of our patients and families, they ensure that we continue to meet their needs in the development of our programs and processes.

Dr. Darren Hoffberger 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; Medical Staff.
Reappointments; Allied Health Additions, Changes and Resignations; and Community Health Reappointments.

It was moved by Commissioner Rodriguez, seconded by Commissioner Wright:

THAT THE BOARD OF COMMISSIONERS APPROVE THE RECOMMENDATIONS OF BROWARD HEALTH NORTH’S MEDICAL COUNCIL OF ITEMS 6 (A-D):

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

Motion carried unanimously.

7. BROWARD HEALTH CORAL SPRINGS

Dr. Sachedina wished everyone a Happy Holiday; welcomed the new Commissioners and Dr. EL Sanadi.

He then provided the following update:
- BHCS went live with their progress notes on the maternity ward with computerized entry. So far it has gone very well.
- Expansion project is going forward and he thanked the Commissioners for their support.

Dr. Sachedina informed the Commissioners that there is an issue with the Medical Staff report and it needs to be corrected. He then explained on July 30, 2014, the Board approved the request for the voluntary resignation of Dr. Keith Robinson from BHCS. It has been reported that there has been an error in the reappointment process. Dr. Robinson requested and was granted resignation from BH North. It has been affirmed that Dr. Robinson at no time requested resignation from BHCS. Dr. Sachedina requested that the Board remove the voluntary resignation from its previous vote by corrective action and that Dr. Robinson be reinstated to BHCS.

Mr. Goren advised the Board that when the Board approves the ratification of the privileges for Dr. Robinson at BHCS it would be nunc pro tunc to the date he continued to provide services at BHCS.

It was moved by Commissioner Gustafson, seconded by Commissioner Rodriguez that the Board ratify the resignation of Dr. Keith Robinson for BH North. Motion carried unanimously.

It was moved by Commissioner Gustafson seconded by Commissioners Rodriguez that the Board ratify the privileges previously offered and provided to Dr. Robinson nunc pro tunc to the date that he performed services at BHCS so that there is no gap legally or operationally as a physician. Motion carried unanimously.
Dr. Azeem Sachedina, Chief of Staff of Broward Health Coral Springs, reported that the Medical Council had reviewed and recommended for approval by the Board of Commissioners all exhibited Medical Staff Appointments; Medical Staff Reappointments; and Allied Health Reappointments.

It was moved by Commissioner Rodriguez, seconded by Commissioner Wright:

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

A. Medical Staff Appointments
B. Medical Staff Reappointments
C. Allied Health Reappointments

Motion carried unanimously.

CEO REPORT

Mr. Nask reported that they met with Standard & Poor’s on Friday for 2-hours. They re-affirmed BH’s to a stable outlook “A”. He reminded the Board that about a year ago Moody’s downgraded BH’s outlook to negative. He suggested BH visit with Moody’s in the near future.

Mr. Nask congratulated Dr. El Sanadi who has been a worthy adversary over the years. He has even been his personal physician. Mr. Nask said it has been a unique relationship and he is happy and proud and wished him the best of luck.

Chair Di Pietro thanked Mr. Nask for his service during his years to BH and for allowing this transition to run so smoothly.

CFO REPORT

Mr. Martin said that he had nothing to report other than what was reported earlier at the Finance Committee meeting.

GENERAL COUNSEL REPORT

Mr. Goren requested a shade session for a time uncertain in January or potentially early February relating to a pending False Claims Act.

It was moved by Commissioner Rodriguez, seconded by Commissioner Wright that the Board approve holding a Shade Session sometime in January or early February relating to a pending False Claims Act case. Motion carried unanimously.

Mr. Goren also reminded the Board that following today’s public meeting a Shade Session which was previously approved by the Board will be held relating to the Araujo Case vs. NBHD which is pending in the Broward Circuit court: case no 13-012999. Mr. Goren reviewed the process for holding the Shade Session in detail.
Mr. Goren reminded the Board that Commissioner Nieland was assigned the task of dealing with the security of BH’s public buildings. The Commissioner has been doing a lot of evaluating, research and preparation to report back to the Board. Mr. Goren said that a memorandum will be sent out to the Commissioners’ today regarding the New Visitor Management System that is being proposed for the facilities that are owned and controlled by BH. Under state law there are several limited circumstances under which a public body such as BH can meet in private with counsel and others. This is another exception under the State’s Statute Chapter 281.201 which deals with the the security of public buildings. Mr. Goren said that he has already asked for a closed meeting sometime in January for a closed door meeting. A court reporter is not required to be present and no minutes will be taken. It is a post 911 statutory change that will allow an organization to best secure its buildings.

Mr. Goren said he was providing notice to the Board that there will be a meeting called sometime by Commissioner Nieland for a meeting of the Board probably before or after the next board meeting where he can address some of the open issues.

In addition, Mr. Goren said that he had circulated last evening for their benefit a letter from Commissioner VanHoose. It was circulated at the Commissioner’s request and states certain ideas, suggestions and analyses for their benefit. Mr. Goren said that it was written in order for her to provide to the Board some of her comments and thoughts—it was not intended to be an exchange on the public record without having a public meeting. It was intended just for information purposes and it is a public record. Mr. Goren said that they do not encourage cross talk in an email which opens up the door for Sunshine questions and he wanted the record to reflect that fact. It was simply a delivery to each Commissioner of her thoughts and process improvement issues that she thought would be very useful to have in advance of today’s meeting. Mr. Goren said that should the Commissioner choose to address those issues she will do that on the record.

**COMMITTEE REPORTS:**

**Audit Committee – December 10, 2014** – Commissioner Wright reviewed some of the highlights of the meeting: PWC report with complying within audit. The two main areas discussed were the GASB and staffing analysis. The emphasis on staffing analysis is enshrined that on BH’s staff they are able to do the audit process internally. There was some issue with that so that is something that is continuing to be looked at to make sure that BH has the proper qualified people on the corporate staff; the second area pertained the BH North, although the audit found it was within its budget; however, one of the areas that was not within budget and is over budget is the monies provided for the management piece of the project at BH North. Another issue which will be addressed by Commissioner Nieland is the Board level compliance committee.

Chair Di Pietro commented that the Audit Committee will also be selecting a new external board member. Interviews are schedule for January 12th—3 candidates will be interviewed for that position. Also there was an RFP for the external auditor which is on the agenda for approval. Commissioner Wright asked Mr. Martin if he was tracking the contract. Mr. Martin said that he has comments that he needs to review back against the RFP and the proposal. It appears to be that KPMG made changes to what they originally submitted in their proposal. He advised the Board that he is still reviewing the documents to see the extent of the changes. Once he has reviewed all the changes the contract will be sent back to KPMG to negotiate the contract and hopefully it can be settled within the next two weeks.
Chair Di Pietro stated the RFP was done before Thanksgiving. They interviewed three firms Ernst and Young; KPMG and Grant Thornton--KPMG was the winner. Mr. Nask advised the Board that they will be approving the selection of KPMG subject to them finalizing the engagement letter.

Mr. Martin said that the engagement letter came back; however, KPMG made changes to what was originally proposed within the RFP so management needs to look at the extent of those changes. A lot of the changes had to do with insurance/indemnification so BH needs to be comfortable with what is in the final engagement letter before it is signed so BH can protect itself. Mr. Martin said that the Audit Committee needs to sign off on the engagement letter. Commissioner Wright asked if he could set a date for that to occur. Mr. Martin stated that it depends on how firm KPMG is in the negotiation process and what BH is willing to waive or not waive as long as BH has the protection. Commissioner Wright said he needs a deadline for signing the engagement letter. Mr. Martin said that if KPMG is unwilling to negotiate then it becomes a business term on the amount of risk that BH is willing to take. Mr. Martin said that BH needs to have a contract that is acceptable to BH. Commissioner Wright questioned if KPMG was unwilling to negotiate does BH then go to the second place awardee.

Chair Di Pietro suggested that Commissioner Wright work with Mr. Martin. He said if BH needs to set another Audit Committee, it could be set in late December or January. Chair Di Pietro said that if it goes through the New Year then he recommended that Commissioner Wright set another Audit Committee meeting.

In addition, Chair Di Pietro informed that Board that Dionne Wong was working on posting the position for the Chief Internal Auditor.

It was moved by Commissioner Gustafson, seconded by Commissioner Rodriguez that the minutes of the December 10, 2014 Audit Committee be approved as presented. Motion carried unanimously.

**Quality Assessment and Oversight Committee (QAOC) – December 4, 2014** – Commissioner Rodriguez asked Dr. Boutin to address the actions at the QAOC committee. Dr. Boutin informed the Commissioners that they have changed the format for the meeting over the years making it easier for the Commissioners who attend the meeting to understand. Dr. Boutin said what the Commissioners are finding out at these meetings coming out of this meeting is the fact that the statistics and metrics are going up at every level and now it is much easier with the new format to measure that information. Dr. Boutin said they hope to go in the same direction and continue with this format. The minutes were very clear and he asked that they be approved.

It was moved by Commissioner Gustafson seconded by Commissioner Rodriguez that the minutes of the QAOC committee held on December 4, 2014 be approved as presented. Motion carried unanimously.

Mr. Goren advised the Commissioners that included in the QAOC minutes that were just approved, was the policy change that was presented to the Board members by Dr. Boutin (not including Commissioners’ Canada and VanHoose). Dr. Boutin would like to refresh their understanding of the policy change. Dr. Boutin reminded the Board that this was a condition of participation of Medicare; whereby, the Board must interact directly with the Chiefs of Staff with regard to questions of quality. Dr. Boutin presented a policy at the last month’s meeting for their review and to be approved. The Board also approved the process which was that the Board
would meet with the four Chiefs of Staff prior to Board meetings at 3:00 p.m. twice a year. Dr. Boutin said it is a straightforward policy which states that BH has established a committee that clearing states it rules. Chair Di Pietro asked if twice a year was sufficient. Dr. Boutin said that was the mandate—the policy states twice a year or more if needed but he thinks twice a year will be sufficient. The first meeting is scheduled for January. Dr. Boutin asked for the Board to approve Item 14.

At this time, Chair Di Pietro asked for approval of Item 14 as listed on the Discussion Agenda. It was moved by Commissioner Rodriguez, seconded by Commissioner Gustafson to approve the Board Director Consult with Medical Staff Policy. Motion carried unanimously.

**Pension and Investment – November 19, 2014**— Commissioner Nieland stated that everyone was in attendance except for Commissioners’ Canada and VanHoose. The Committee met with Segal Rogercasy who gave a synopsis of the investment earnings since BH’s engagement with them and there was discussion about achieving BH’s target of an 8.0 percent return. Segal Rogercasy provided six different models and, ultimately, it was voted to select the Model P#3 which is on the Consent Agenda for final approval.

It was moved by Commissioner Rodriguez, seconded by Commissioner Gustafson that the minutes of the November 19, 2014 Pension and Investment committee be approved as presented. Motion carried unanimously.

**CONSENT AGENDA**

Chair Di Pietro asked for a motion to approve Items 8 through and including 12 as listed on the Consent agenda. He stated that all items have been discussed previously.


9. Approval to adopt Segal Rogercasy Model P3 and incorporate the allocation with the Investment Policy (per minutes)

10. Approval of KPMG as the External Auditor Firm for BH subject to receipt and approval of the Engagement Letter (per Audit minutes)

11. Approval for the funding to construct a three-story South Tower to provide an additional 54 patient beds and associated renovations at BHCS at a cost of $56,000,000 in accordance with Section 24 (1)(d) of the North Broward Hospital District Charter.

12. Authorization of Notice of Award to Miller Construction Company, the lowest responsible bidder, for Capital Project 15BH1N1708—3NE and 3SE Headwall Repairs RFQ.

It was moved by Commissioner Gustafson, seconded by Commissioner Rodriguez that Items 8 through and including 12 be approved as listed on the Consent Agenda. Motion carried unanimously.
• Key Financial indicators were also very impressive: 217 days of cash on hand; Days in AR at 46 which is incredibly low; ramped up capital ratio spending at 147%.

• Statement of Cash Flow: BH is down $35 million, mostly due to the ad valorem tax which BH accrues the income on but has not yet received those dollars. That check will come in around December 15 and could be $80 or $90 million so all of the numbers on the financial indicators are going to ramp up.

Mr. Nask commented that when Kaufmann Hall gave a presentation to the Board they presented three different scenarios relating to the potential impact of the Accountable Care Act to BH. Kaufmann Hall benchmarked 210 days cash-on-hand that BH wanted to keep constant in order to maintain its bond rating; however, it now looks like BH will probably be at 250 days in another month or so. Mr. Nask also informed the Commissioners that there is a Bond rating call on December 5 with Standard & Poor’s.

Mr. Nask said BH has very strong financials. The health exchange program has been helping and open enrollment is currently going on now and BH is signing up new members. Mr. Nask stated that BH is getting to a very good financial place.

**GENERAL COUNSEL REPORT**

**Mr. Goren reviewed some of the items listed on the general board agenda:**

- Item 6—Governance Committee actions.

  Mr. Goren stated that they met with Peter Urbanowicz yesterday and his recommendation was for the Special Board Level Compliance Committee to consist of two (2) board members and one (1) outside community attorney rather than what was suggested at the Governance Committee (6 Board members, 2 outside attorneys and one local attorney). Mr. Goren informed the Board that they are preparing to amend the District Bylaws as recommended by Mr. Urbanowicz to include a Standing Committee of a Special Board Level Compliance Committee consisting of a 3 member panel comprised of two (2) board members and a third party community person who should be an attorney specializing in compliance related matters and having no conflicts with the Board or with the Board’s work.

  Mr. Goren said amending the Bylaws is time consuming. He then went on to explain that process in detail. The amendment to the Bylaws will be submitted to the Board in December. Mr. Goren stated that since it takes a month for review it will not be approved until January 2015. However, while the process is evolving, staff is working towards coordinating with the Governance Committee to serve in the interim until the actual standing committee is created.

  Chair Di Pietro appointed Commissioner Nieland and Commissioner Gustafson to serve on this Committee—Commissioner Nieland will be the chair of the committee. Mr. Goren will find a third party attorney that meets the recommended requirements. This standing committee will need to meet at least 6 times per year.

  Mr. Goren then referred to several items that were on today’s Board agenda for approval:

  - Item 9 Lobbying Policy. Mr. Goren informed the Board that they made the suggested changes to the policy as requested by the Board at last month’s meeting. Mr. Goren
13. Approval of the proposed amendment to the Broward Health Corporate Bylaws creating a Compliance Committee as a permanent standing committee of the Board.

Mr. Goren advised the Board in preparation for the potential Corporate Integrity Agreement, Mr. Peter Urbanowicz BH’s consultant had recommended that there be an amendment to the BH Corporate Bylaws creating a new permanent Standing Compliance Committee. The recommendation by Mr. Urbanowicz is that the committee consists of three members (two Board members and an outside attorney member who would have no relationship with BH in any way but who has compliance experience and training. The objective was to draft the committee and once formed bylaws for that committee would be created. Mr. Goren then informed the Board in detail as to how the District’s bylaws can be amended from time to time.

Mr. Goren informed the Board that before them today is a proposed Compliance Committee that was recommended by outside consultants and would be consistent with that recommendation. It is, however, a proposal which can be modified if the Board so chooses. Should the Board choose to modify the proposed amendment, it would be brought back with those changes to the January board meeting for approval under the bylaws requirement of having a month’s notice.

Chair Di Pietro commented that he and Mr. Nask met with Mr. Urbanowicz and it was thought that the committee would consist of seven or nine members which could be too big but three might be too small so maybe five would be the best number. He then asked the Board if they wanted lawyers for the external members.

Mr. Goren said that one of the recommendations from Mr. Urbanowicz was to have an outside attorney who has expertise in compliance much like having the CPAs on Audit. Chair Di Pietro asked if the committee consisted of five members would they need to have 2 attorneys. Mr. Goren said one attorney and one community member.

Commissioner Nieland asked Ms. Donna Lewis, Compliance and Privacy Officer, to come before the Board to discuss this matter since she has done some research with the other hospitals and might be able to answer some of these questions. Commissioner Nieland said it looks like most of the hospitals had three board members and two outside members.

Ms. Lewis informed the Commissioners that she spoke with Jackson, Halifax Health who is under a CIA; Parkland Health System under a CIA, Infirmary Health Care who was also under a CIA and Health Care District of Palm Beach County. She also spoke with the attorneys who handled the Infirmary case. The recommendation is that you would not want a large number but for good governance you would want at least five members (three internal and two external who have compliance experience or a compliance attorney, similar to Audit committee. Ms. Lewis said that what needs to be made clear is that if BH has a compliance attorney or attorneys that their role be defined and that BH reviews directors and officers insurance to make sure that they are covered—are they practicing law or are they there based on their experience. It needs to be clearly defined: are they giving advice or just serving as a committee member.
Chair Di Pietro suggested that having a five member committee (three board members or four board members with one external member).

Commissioner Nieland commented that BH would need to have an engagement letter in place for the external member which would be approved by the Board similar to what is required by the audit committee. The question is if they are attorneys would they be practicing as an attorney or would the compliance committee need its own attorney to provide that privileged information.

Mr. Goren said that the meetings are public so whatever is discussed or evaluated will be done in a public forum. Mr. Goren said that he serves as general counsel to the Board and to its constituent committees. So Mr. Goren would be counsel for the Committee. The objective is if the Board is planning on engaging an attorney with specific expertise to be on the committee.

Commissioner Nieland said that is why it is important to have an engagement letter that outlines their duties and whether they would be paid.

Mr. Goren said that under the Audit Committee standard the actual decision to compensate was a separate motion by a prior board and it is actually in the bylaws of the Audit Committee. Mr. Goren said that decision can be made once the committee is formed.

Mr. Nask stated that the person should be a voting member with the expertise that the Board is looking for who would validate the management team’s recommendations similar to what the CPAs do at the Audit Committee. They would not be giving legal advice but just voting on whether management is doing the right thing.

Mr. Goren explained that the recommendation of the outside consultant in the event that BH does have a CIA, is that the objective would be to engage a separate compliance attorney within BH who would serve that purpose and would be under the jurisdiction of Mr. Goren, the District’s General Counsel.

Commissioner Nieland felt that if BH decides to form this committee, it would be appropriate for the three members to weigh in on the selection of that individual as well as the two external members.

Commissioner Wright stated that issue of a compliance attorney is very confusing. He suggested that they just designate someone with compliance expertise and no lawyer.

Chair Di Pietro suggested creating a five member Board with three Board members and two externals. The bylaws for this committee will be prepared at the appropriate time as it relates to the selection of the two external members.

Commissioner Rodriguez moved, seconded by Commissioner Nieland that the Board approve creating a Board consisting of five members (three board members and two externals) with the bylaws for the committee to be prepared at the appropriate time as it relates to the selection of the two external members.

Motion carried unanimously.
Chair Di Pietro stated that Ms. Donna Lewis will be ex-officio to this new compliance committee.

Mr. Goren commented that the Board has approved creating a Standing Compliance Committee consisting of five members (three board members and two external members) and they will leave open the expertise qualifications as suggested by Commissioner Wright.

Chair Di Pietro said that the three board members would be the Chair, Vice Chair and Secretary/Treasurer: Commissioner Di Pietro; Commissioner Joel Gustafson and Commissioner David Nieland respectively.

Mr. Goren reminded the Board that the Governance Committee will serve in this capacity until the new compliance committee is formed.

Mr. Goren informed the Commissioners that when they leave the meeting today the new standing Compliance Committee will be the officers currently in place (Chair, Vice Chair and Secretary/Treasurer). Any discussion relating to a compliance subject matter will now filled by them now that the committee is in formation legally.

Chair Di Pietro asked for a motion to approve the five member Compliance Committee as discussed and directed by General Counsel--Moved by Commissioner Rodriguez, seconded by Commissioner Nieland. Motion carried unanimously.

14. Approval of the Board Direct Consult with Medical Staff Policy (approved under QAOC Committee minutes)

15. Approval of the Ratification of the Selection of Dr. Nabil El Sanadi as the North Broward Hospital District's President/CEO; and approval of the Employment Agreement.

Mr. Goren stated that on the dais was a final revised unsigned version of Dr. El Sanadi's contract. He explained that in the proposal package was a signed version by Dr. El Sanadi; however, there have been some cosmetic and non-material changes made which were requested by Dr. El Sanadi and his attorney. Those changes are reflected in the agreement that has been placed on the dais.

Chair Di Pietro deferred to Commissioner Nieland who handled the negotiations as Chair of the Human Resource (HR) Committee.

Commissioner Nieland thanked the Board for giving him the opportunity to work with Dr. El Sanadi on this contract as well as HR and Legal. He then provided a brief overview of the negotiations. They met fulfilled the below 50th percentile fair market value that was authorized by the Board. With regard to the medical directorships, they agreed that Dr. El Sanadi would continue in the medical directorship role and Dr. El Sanadi graciously volunteered to return proceeds from those directorships back to the Children’s Diagnostic and Treatment Center (CDTC). With regard to the term of the contact, in looking across the standards with regard to length of a contract for a President/CEO, they found that most of the hospital systems had three to five year terms. Commissioner Nieland said that since BH is attempting to establish a vision and mission
for the future, he agreed to a five-year contract. At the end of the five-year term, the Board would need to revisit the furtherance of the contract no later than 90 days prior to the expiration. If a new contract is not agreed to by the parties and, there has been no affirmative decision to negotiate a new contract, then the contract shall be renewed at the expiration for an additional three year term. The term of the contract would run from December 20, 2014 to December 20, 2019.

Chair Di Pietro asked where did the salary fall in connection to the Mercer data which was provided by Ms. Dionne Wong. Commissioner Nieland said it was below the 25th percentile.

Chair Di Pietro asked about the severance. Mr. Goren said that Section 3.1 was negotiated very conscientiously by Commissioner Nieland, Dr. El Sanadi and his counsel. Basically it stated that in the event that this board would elect to terminate the contract before the five-year period for no cause, at that point, Dr. El Sanadi would be entitled to an 18-month severance; so for the first two years, the contract provides for an 18 month severance. After the two year period, it then reverts to a 12-month period.

Chair Di Pietro inquired about the medical directorships. Mr. Goren stated that he sent an email to all of the Commissioners last evening that he received from Chris Anderson who is General Counsel for the Ethics Commission. Mr. Goren said that they provided Mr. Anderson with a detailed request for an informal opinion from Tallahassee with regard to the medical directorships. As part of Dr. El Sanadi’s presentation during his interview process, he expressly requested a carve out for those relationships. Those contracts are in his name alone for which he provides a personal service to the cities of Sunrise, Fort Lauderdale, Tamarac and BSO. The General Counsel for the Ethics Commission has opined that there is not a Chapter 112 ethical conflict if he retains those contractual relationships. The contract states: Dr. El Sanadi would have to still maintain his own malpractice insurance, pay his own taxes, handle all of the cost and expense for being the medical director and the objective is that he would contribute an unspecified sum but it was of taxes to the organization known at CDTC. With regard to the clinical work that is being referred to in the contract, for clinical services which would be keeping his licensure, certification all of the proceeds payable for that service would be paid to BH. Mr. Goren informed the Board that Dr. El Sanadi’s contract has been vetted by Maria Currier, a partner with Holland and Knight. Ms. Currier has vetted all of the physicians’ contracts over the past six months and has concluded that Dr. El Sanadi’s contract as drafted, prior to the final draft being finalized, was compliant with no compliant issues.

Commissioner Nieland said Dr. El Sanadi volunteered those dollars to CDTC. Commissioner Nieland felt it was important for Dr. El Sanadi to maintain those directorships which were preexisting because it serves as a good ambassadorship for BH back to the community. Dr. El Sanadi is not seeking to profit from them in any way and there is also a contractual requirement for Dr. El Sanadi to indicate what he contributed to CDTC on an annual basis.

Chair Di Pietro also commented that they had agreed to allow Dr. El Sanadi to participate in the 2015 Compensation Incentive Plan. He asked Mr. Nask to explain the breakdown in order to receive the bonus which he did in detail. Chair Di Pietro asked how much of that is at risk on a percentage wise basis. Mr. Nask explained that the risk is the
performance of all of business units and how they perform. The maximum amount percentage wise that he can achieve is 20%.

Commissioner Nieland stated that since Dr. El Sanadi is starting before the December 31 deadline, he is eligible to participate in the incentive bonus.

Commissioner Gustafson asked Mr. Nask is he had an Annual Work Plan in his contract. Mr. Nask said if there was it probably would have been the budget and strategic plan.

Commissioner Nieland explained that when Dr. El Sanadi’s performance appraisal comes due every year that is when HR and the Board would evaluate his work productivity and what his strategic vision is for BH as well as evaluating the time that was allocated for his medical directorship.

Commissioner VanHoose said that the contract is for 5-years with an option of 3 years renewal for about 8 years. She asked what the standard for the physicians and other staff.

Chair Di Pietro said this is a different issue because it is an executive position. He stated that because of various policies that were made related to compliance, BH’s contracts are standard three years with a 90 day out clause. Mr. Nask explained that the fair market values need to be revisited every three years for physicians.

Commissioner VanHoose said that she has great misgivings with talking about a contract for someone who is just coming in. She said it is not because she lacks confidence in Dr. El Sanadi but feels that it was setting a precedent. She asked Mr. Goren what is “good cause” to terminate.

Mr. Goren referred to Page 7, Paragraph 3.5 which outlined reasons for termination.

Commissioner VanHoose questioned why there was a differential of a six month additional severance from 18 months to 24 months.

Commissioner Nieland said the first 24-months provide an opportunity for growing pains during the honeymoon period. Should the Board decide to terminate Dr. El Sanadi during that period, the risk for BH would be they gave him only one year, however, they were also trying to mitigate risk for Dr. El Sanadi during the first 24 months. He explained that this discussion took place during the overall salary discussion and reminded the Board that Dr. El Sanadi came in under the 25th percentile.

Commissioner VanHoose also addressed other benefits that he would receive should he be terminated within that 24 month period after he is no longer BH’s CEO. She said that there are two different severance packages in the contract.

Commissioner Nieland commented that this will allow him to do what he wants to do in the first two years. This benefit package was discussed with HR and this is what has been done before.

Commissioner VanHoose then summarized the letter that she sent to Sam Goren for the Board. She said it would have been nice to the Management Incentive package prior to her writing the letter. Commissioner VanHoose explained that her main point in the letter
is that there are a lot of factors in looking at the incentive package—50% is based on budget and management and 30% and 20% is based on quality and services. In her opinion, if they do not meet quality and your patient satisfaction metric, there should be no conversation about the bonus. Patient satisfaction and quality should be the number one priority. She said that there seems to be more emphasis on financials and commends the Board for lowering the tax on our residents and hopes that BH continues to do that until it is ultimately no longer there. However, she was not willing to place this on the backs of BH’s patients and sacrifice quality. She said those are the big conversations in her letter.

Commissioner VanHoose said that had no problem with the salary but there is a high emphasis on the base salary and a smaller emphasis on meeting goals and when BH is trying to align with strategic plan and vision as well as trying to become the best healthcare system and provide the best quality healthcare, you have to change the emphasis. Commissioner VanHoose feels that the weights have to change in the incentive plan.

Commissioner VanHoose said that is why she has misgivings on the five year contract because she does not feel that the incentive plan is aligned. She feels it should be a low base salary with a very significant incentive package competitive across the nation but aligning with BH’s Value Based Purchasing with BH’s goals with patient satisfaction and quality. She feels that BH should place more emphasis on Value Based Purchasing in its plan and benchmark using the Centers for Medicaid and Medicare Services.

Mr. Goren reviewed in detail the non-material changes that were made to Dr. El Sanadi’s contract. These changes were reviewed by legal and Commissioner Nieland who agreed that these changes were non-material.

Commissioner VanHoose asked if they would be voting on two different items: one the employment agreement and then the ratification of Dr. El Sanadi. Mr. Goren replied no. He explained that at the December 10th, Special Public meeting Dr. El Sanadi’s employment was ratified. That meeting also allowed for public comments which is required by the statute. Mr. Goren said that the Board will now be voting for the contract.

Commissioner Wright asked Commissioner VanHoose if she felt that the contract should have included a lower base salary with a very significant incentive package based on reasonable measures. Commissioner Wright also wanted clarification on when they sign the contract today was is locked in for 5 years and nothing can be changed. Mr. Goren said that was correct. Commissioner Wright asked then how would they go about changing to what Commissioner VanHoose has recommended for next year.

Chair Di Pietro said the term and salary would be locked in unless it is renegotiated; however, he felt that Dr. El Sanadi would agree to whatever the committee decides.

Chair Di Pietro suggested appointing Commissioner VanHoose to serve on the HR Committee so that she and Commissioner Nieland and Commissioner Wright can revisit the incentive plan. Mr. Martin suggested that she be given a copy of the Mercer Report that talks about how the incentive plan was arrived at and where BH stands with the competition.
Chair Di Pietro informed Commissioner VanHoose that should the plan change in 2016, it would change for all participants not just Dr. El Sanadi.

Commissioner VanHoose said that still would not get to the gust of what she is trying to accomplish which is a lower based salary with a significant incentive package. She felt that because she has so many questions from the incentive piece and salary and the term of the contract, she will not be voting in favor of the contract today; however, she still fully supports Dr. El Sanadi. She thinks that the Board made the best decision in choosing Dr. El Sanadi and she truly believes that he will take BH on a journey of excellence and looks forward to working with him.

Chair Di Pietro asked if anyone from the audience would wish to make any comments relating to Dr. El Sanadi’s contract.

It was move by Commissioner Rodriguez, seconded by Commissioner Wright that the contract with Dr. El Sanadi as revised be approved as presented.

Chair Di Pietro call for a roll call vote:
- Commissioner Di Pietro – yes
- Commissioner Gustafson – yes
- Commissioner Nieland - yes
- Commissioner Rodriguez – yes
- Commissioner Wright – yes
- Commissioner Canada – yes
- Commissioner VanHoose – no

Motion carried – 6 -1

COMMENTS BY COMMISSIONERS

Commissioner VanHoose thanked all the staff who have been so great in helping her get acquainted with BH and it is really an honor to serve to with everyone. She looks forward to what they will accomplish over the next couple of years.

Commissioner Rodriguez welcomed Commissioners’ Canada and VanHoose. He feels that he and will be getting along just great with Commissioners’ VanHoose and Canada since they think alike. Commissioner Rodriguez said he knew Commissioner Canada’s father and he was a great man.

Commissioner Nieland wished everyone a Happy Holiday and thanked everyone for their support.

Chair Di Pietro wished everyone Happy Holidays, Happy Hanukkah, Merry Christmas, Happy New Year and welcomed Commissioners’ VanHoose and Canada. He said he is excited about where Broward Health is going.

Commissioner Gustafson echoed all of the Commissioners comments. He also informed everyone that they all have an opportunity on Christmas Day at 11 a.m. to stop by Holiday Park and participate in a flag football game to celebrate the holidays.
Commissioner Canada thanked everyone for being so gracious in welcoming her with open arms. She appreciates there confidence in her and looks forward to working with everyone and wished everyone Happy Holidays.

It was moved by Commissioner Nieland, seconded by Commissioner Rodriguez for the Board to recess. Motion carried unanimously.

**At 12:30 p.m. the PUBLIC MEETING recessed to enter into an Attorney Client Session in accordance with Florida Statute 286.011 to Araujo Case vs. NBHD Circuit court of the 17th Broward Circuit Court in and for Broward County, Florida, CACE #13-012999**

**PUBLIC MEETING RECONVENES at 1:05 p.m.**

**NEXT REGULAR BOARD MEETING**

The next regularly scheduled Board of Commissioners’ meeting will be held at 4:00 p.m. January 28, 2015 in the auditoriums at Broward Health Medical Center, 1600 South Andrews Avenue, Fort Lauderdale, Florida.

Meeting adjourned at 1:06 p.m.  

David Nieland  
Respectfully submitted,  
Secretary/Treasurer

**BY: Maryanne Wing**

**A FULL RECORDING OF THIS MEETING IS AVAILABLE ON TAPE**