NORTH BROWARD HOSPITAL DISTRICT
BOARD OF COMMISSIONERS’
REGULAR MEETING
Wednesday, February 26, 2014- 4:00 p.m.
Broward Health North
Auditoriums

MINUTES

The Regular meeting of the Board of Commissioners of the North Broward Hospital District was held on Wednesday, February 26 2014 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 Di Pietro called the meeting to order at 4:25 p.m.

ROLL CALL

Commissioners:
Present: Commissioner David Di Pietro – Chair
Commissioner Joel Gustafson – Vice Chair
Commissioner Debbie L. Kohl – Secretary/Treasurer
Commissioner David C. Nieland – Board member
Commissioner Rocky Rodriguez – Board member
Commissioner Darryl L. Wright - Board member

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

RECOGNITION OF BLACK HISTORY MONTH:

In honor of Black History month, Chair David Di Pietro, along with County Commissioner Chip LaMarca, recognized leaders in the African American community. Chair Di Pietro said that he wanted the leaders in the community to see where the Board of Commissioners met and he also informed them of the upcoming major improvements that will be occurring at Broward Health North in the upcoming months. In addition to Commissioner Chip LaMarca, Chair Di Pietro said that they were honored to have City Commissioner District 4 Woodrow J. Poitier of the City of Pompano and Commissioner Ben Preston, District 2 of the City of Deerfield Beach and Chaplain Nathaniel B. Knowles of the Broward County Sheriff’s Office and Beverly Perkins Moody of Congressman Alcee L. Hastings office in attendance.

Chair Di Pietro then read the North Broward Hospital District’s Proclamation declaring February as Black History Month. He then presented a Proclamation to each of the following ministers: Nathaniel Knowles, BSO; Rev. Fritzner J. Bellonce, St. Elizabeth of Hungary Catholic Church; Dr. Derrick C. Gay, First Church of Faith; Bishop Patrick Kelly, Cathedral Church of God;
Pastor Wylie Howard, St James Mission Baptist; and Pastor Gary McLamore, Jesus SuperNatural Life Center.

County Commissioner Chip LaMarca stated that Commissioners’ Poitier and Preston were the two hardest working Commissioners who have served with him—they have never said no to anything. He then presented Hazel Armbrister, Community Activists and member of the BH North CRC with a Proclamation from the City of Pompano.

COMMENTS FROM AUDIENCE:

Mr. Norman Grad, resident of Margate, complimented the District on being named one of the four hospitals in Florida to achieve a stage 6 level ranking for its IT program. He said that the District is now in the company of John Hopkins; Duke University and Mt. Sinai Medical Center. He said it is quite an achievement.

Mr. Grad also welcomed Commissioner Rodriguez to the Board. He said he served with him on the BARC Board and he is a true compassionate conservative.

He then informed the Commissioners that he was recently a patient at BH Coral Springs for five days and the care could not have been better. He was thoroughly impressed and wanted to commend the gentleman who wheeled him down to the CT scan at 2 a.m. He was singing and dancing and was a joy. Mr. Grad said that he is a very private person and asked if the next time he is a patient at BHCS he could please have a private room.

APPROVAL OF MINUTES

1. Request approval of the Minutes of a Regular Meeting of the Board of Commissioners held January 29, 2014.

It was moved by Commissioner Gustafson, seconded by Commissioner Nieland:

THAT THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS HELD ON JANUARY 29, 2014 BE APPROVED AS PRESENTED.

Motion carried unanimously.

MEDICAL COUNCIL AGENDA

2. BROWARD HEALTH NORTH

Dr. Hoffberger presented the following update:
- A Valentine’s Day themed “Senior Prom” was held on February 13 in their conference center and over 100 seniors danced the afternoon away to the sounds of big band music. Dr. David Paris, Cardiologist, provided fun facts about heart health.
- More than 50 former Joint Replacement Center patients and their guests joined BH North for the annual “Joint Replacement Center Reunion Luncheon” on Wednesday, February 19. Orthopedic surgeons, Dr. Bruce Janke, Medical Director of the Joint Replacement Center and Dr. Steven Naide also attended the luncheon.
• BHN observed Black History Month with several fun programs for employees including weekly ethnic dishes in the cafeteria. They also held a community outreach luncheon for seniors from the E. Pat Larkins Adult Center and Hopewell Church.

• BHN won First Place at the Quality Expo in the Showcase Competition. Our team’s goal was to reduce Total Patient Harm events by 10% in Fiscal Year 2013. Our project yielded a 23% reduction in incidents. We are proud of our improvement and win!

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

Prior to the Board voting on the BH North request, Chair Di Pietro informed the Board that he had a conflict as it relates to his law partner who represents Susana Brandt MD and he would be recusing himself from voting on her reappointment.

It was moved by Commissioner Gustafson, seconded by Commissioner Kohl on approving the medical council's request with the exemption of Dr. Susana Brandt MD. Motion carried unanimously.

Chair Di Pietro passed the gavel to Vice Chair Gustafson:

It was moved by Commissioner Nieland, seconded by Commissioner Kohl:

THAT THE BOARD OF COMMISSIONERS APPROVE THE RECOMMENDATIONS OF BROWARD HEALTH NORTH’S MEDICAL COUNCIL OF ITEMS 2 (A-E) INCLUDING DR. SUSANA BRANDT MD.

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 Services Resignations
F. Community Health Services Reappointments

Motion carried. Chair Di Pietro did not vote.

3. BROWARD HEALTH MEDICAL CENTER

Vice Chief Louis Yogel presented the following update:

• Dr. Yogel congratulated all the new Commissioners and welcomed them to the North Broward Hospital District.

• BHMC opened 3 and 4 South Tower Maternity Place Units on February 21st, which is the first step toward the $80 million renovation of the Chris Evert Children’s Hospital.
• BHMC received a full accreditation from the National Accreditation Program for Breast Center on February 3rd—three areas are designated as national best practices.
• Second Annual Barefoot on the Beach event which is planned by the Young President’s Council will be held on Friday, February 28th.
• BHMC’s Story Boards placed 1st and 3rd in the annual BH Quality Expo.
• BHMC’s Retail Pharmacy will hold an open house on March 12 from 6 to 8 p.m. The New Retail Pharmacy is located in the main lobby.

In the absence of Dr. Rajiv Chokshi, Chief of Staff of Broward Health Medical Center, Dr. Louis Yogel, Vice Chief 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 Kohl, seconded by Commissioner Rodriguez:

THAT THE BOARD OF COMMISSIONERS APPROVE THE RECOMMENDATIONS OF THE BROWARD HEALTH MEDICAL CENTER’S MEDICAL COUNCIL OF ITEMS 3 (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.

4. BROWARD HEALTH CORAL SPRINGS

Dr. Sachedina provided the following update:
• BHCS received two awards at the BH Quality Expo: 1) Sugar and Spice Keeping Mom Healthy and Nice—which had to do with best practices guidelines for management of hyper tension in pregnant women. This was born out of BHMC Quality Committee; 2) Improving Patient Flow This is How We Do It—presented by the ER Director James Roach MD and ER Manager Randy Alfonzo and Assistant Manager Allison Vandever. Dr. Sachedina commented that BHCS Emergency Room has undergone a major change and the staff has been wonderful in streamlining it and making it more effective plus enhancing BHCS’ patient satisfaction scores.
• BHCS was also notified that they will be receiving the Gold Plus Award from the American Heart Association for “Get with the Guidelines” for their Primary Stroke Program. Last year, BHCS received Bronze and Silver awards.
Dr. Azcem 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 and Changes; Medical Staff Reappointments; Allied Health Appointments and Allied Health Reappointments.

It was moved by Commissioner Gustafson, seconded by Commissioner Nieland:

THAT THE BOARD OF COMMISSIONERS APPROVE THE RECOMMENDATIONS OF BROWARD HEALTH CORAL SPRINGS MEDICAL’S MEDICAL COUNCIL OF ITEMS 4 (A-D):

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

Motion carried unanimously.

5.

BROWARD HEALTH IMPERIAL POINT

Dr. Groene provided the following update:
- BHIP is coming along; census is high, operative volume is at a record all-time high.  
- BHIP holds an event called Tea and Trivia which is very popular with the Community---they had a record attendance of over 100 community residents.

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 Kohl, seconded by Commissioner Rodriguez:

THAT THE BOARD OF COMMISSIONERS APPROVE THE RECOMMENDATIONS OF BROWARD HEALTH IMPERIAL POINT’S MEDICAL COUNCIL OF ITEMS 5 (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 informed the Commissioners that on February 25, Mr. Frank Sacco, Mr. Carlos Migoya and Mr. Nask met with the Editorial Board of the Sun Sentinel to try and get them engaged in the issue of the new Medicaid tier system methodology which will be effective July 1, 2014. Mr. Nask said this is a very complicated topic and went on to explain the two components. He said there is the component of rates that come from the general fund that the state authorizes through their budget; and secondly, there is the ability as a public system to create another billion dollars of Medicaid funds by putting up IGTS of $800 million which creates another $1.1 billion of federal matching funds for a total of $1.9 billion. Mr. Nask said collectively all three hospitals put up $700 million. BH contributed $160 million in IGTS this year which drew down $255 million in federal funds for a total of $435 million. Of that money, $165 million was distributed throughout the state to be shared among other hospitals.

The Legislature has set up this tier system to be used to allocate dollars for teaching, size and location and those matching monies will be redistributed. Mr. Nask said that this is a big issue for BH when visiting the legislators in Tallahassee in March.

Mr. Nask said that they met with the Editorial Board for about two hours going through in great detail how this was going to work. Mr. Nask said that Mr. Sacco and Mr. Migoya will be meeting with the Miami Herald Editorial Board next week to discuss this issue with them. Mr. Nask said that they are trying to get the local media involved by letting them know that Dade and Broward Counties create several hundred million dollars of Medicaid funds and the legislature is planning to divert even more of South Florida’s health funds to places outside of Dade and Broward Counties.

March 9, 10 and 11 Commissioners, Mr. Nask and Mr. Martin will be attending the FHA Days in the Legislature in Tallahassee.

Mr. Nask commented that Dr. Natasha Bray had just informed him that the AOA (American Osteopathic Association) and ACGME have come up with a joint plan for approving graduate medical education programs starting July 2015. Mr. Nask said that by July 2015, the program outline and design will be done by both bodies and they will be able to recruit students from any school and be able to graduate them. This transition begins over a 4 to 5 year process.

Mr. Nask informed the Commissioners that as of last week, BH reached the statutory teaching level of 103 residents and nine (9) programs which should bring BH additional reimbursement.

CFO REPORT

Mr. Martin provided a brief overview of the January Financial Performance:

- **Overall volume** was below budget for the month; biggest drop in uncompensated care arena; compensated was closer to budget which help the bottom line. On a system-wide bases: admissions were down 2% or 140 cases, while compensated admissions were slightly above budget; short stay cases were down 14%; surgeries down 5% (mostly outpatient related); outpatient visits down 10% mainly PT, radiology and lab visits; ER visits down 6% although compensated visits were only down 3%.

- **Financially for the month**: Net operating revenue was $800,000 favorable to budget; salary and benefits were $1.8 million favorable to budget; supplies and other expenses were $200,000 favorable to budget; Net loss from operations for the month was $7.2 million which was $2.8 million favorable to budget.
- **Year-to-date** for the first seven (7) months of the fiscal year BH’s losses were $85 million which was $200,000 favorable to budget; Investment income was at $43.8 million which was $37 million favorable to budget; and Excess revenue over expense was $34.4 million which was $35 million favorable to budget; continue to have a strong balance sheet with Days Cash on Hand stood at 235 days up 17 days from year end; Days in AR was at 61 days which was up 5 years from year end; Cash collections down slightly due to bad weather conditions across the United States. Mr. Martin said all-in-all it was a good month financially.

Mr. Martin commented on the **volume information throughout Broward County for the period of July 2013 through January 2014**: BH was up about 1% increase in admissions from prior year; Memorial Hospital was basically flat from the prior year; and other hospitals in Broward County were actually down 4.5%. One of the larger decreases was Holy Cross which was down 4.2%. Mr. Martin stated that it appears that along the east side of Florida there are problems with volume.

It was moved by Commissioner Gustafson, seconded by Commissioner Rodriguez that the Board of Commissioners accept the Interim Financial Statement of the month of January 2014 as presented.

Motion carried unanimously.

**GENERAL COUNSEL REPORT**

Mr. Goren reminded the Board that at the end of the public session they will recess to hold a Shade Session to discuss the case of Michael Rardin vs. NBHD. Mr. Jonathan Lynn is outside counsel and will be in attendance.

Mr. Goren updated the Board on the BH Coral Springs v. City of Coral Springs, Case No. 12-28997. Mr. Goren reminded the Board that the District was successful with Judge Carol Lisa Phillips granting BH Motion for Summary Judgment. As a result of the Summary Judgment, John Herin, outside special counsel for BH, has been attempting to negotiate the refund of the previously paid assessments as well as the payment of prejudgment interest. Mr. Goren stated that the City has refused to agree to refund the assessments which was paid under protest and is also refusing to agree to BH’s entitlement to prejudgment interest. Mr. Goren said that the City now feels it necessary to have Judge Phillips reconsider her ruling and whether BH is entitled to a refund of prior payments and prejudgment interest. The City has filed a Motion for Reconsideration on February 24, 2014 (a copy has been given to the Board for their review). Mr. Goren said they will be opposing the City’s Motion for Clarification of Reconsideration. He said that BH would like for the Judge to enter the order for final judgment which would then require the City to pay the funds or otherwise appeal.

Mr. Goren said that they will keep the Board advised with respect to this matter.

Mr. Goren stated that he wanted to discuss a recent memorandum he received from Arent Fox which is privileged and confidential document relating to the OIG matter currently pending. Mr. Goren updated the new commissioners and advised them that back in early February 2013 and on an individual basis, the Commissioners met with Linda Bauman and Jacque Smith from Arent Fox. It is BH’s belief that there is a possible law suit filed; however a sealed law suit has never been served on the District. Currently pending, the District is under an OIG Investigatory Subpoena
which has been responded to in great detail over the past two years by Arent Fox. Mr. Goren indicated that because no law suit has been served on BH, he is unable to meet with the Commissioners in a Shade Session so it was necessary to meet on an individual basis.

Mr. Goren stated that the Board adopted a motion some months ago which was proposed by Commissioner Nieland and adopted by the Board formally requesting that Arent Fox temporarily stand down from working on the OIG matter pending the government coming forward with either other requests or the unsealing of the law suit, neither have yet to occur.

Mr. Goren said that after meeting with Arent Fox, Arent Fox authored a memorandum which is a privileged confidential document and not a public record and has only been shared with the Board members. The memorandum asked the Board to consider having them work on certain detailed assignments for a value as well as the monitoring effort by Mr. Goren and his law firm, Mr. Frank Nask and the Chair of the Board or the Chair of the Legal Affairs Committee. There are about 4 or 5 different sub assignments which Arent Fox has asked to continue working on. Mr. Goren said that he needed advice from the Board directing General Counsel to advise Arent Fox as to what they may or may not be doing in the context of that memorandum.

Chair Di Pietro asked how much money has been spent to date relating to this matter. Mr. Goren said that from Mary 2011 to present, it was probably around $5 to $6 million, which has been reviewed and approved by the Board and included delivery of over 2 million documents and four (4) Advocacy Letters.

Chair Di Pietro asked if the Board designated one Commissioner to work with Arent Fox, and if that Commissioner circulated a memorandum to the Commissioners without further communication would it be kept as privileged. Mr. Goren replied yes.

Chair Di Pietro said that since they cannot speak about it directly and he does not want to re-duplicate legal work since BH has paid a lot of money already, he recommended that the Board appoint Commissioner Nieland to work with Arent Fox to see if there is any need for an additional game plan on how to proceed.

Commissioner Gustafson said he had no problem with the Chair’s recommendation; however, in that he was briefed on this matter, he would support telling Arent Fox to go ahead within the framework stated in the memorandum. He said that he did not think it would be in the best interest to wait a month. He believes that time is of the essence; however, he did agree that they should be monitored. Commissioner Gustafson said his motion would be to approve having Arent Fox begin working on the OIG matter as set forth on the parameters as stated in the privileged memorandum and he would support Commissioner Nieland being the watchdog.

Chair Di Pietro said that he was not in favor of monthly budgets; he would prefer a cost analysis on each project and not on the monthly budget.

Mr. Goren said it might be useful for the Board to direct Commissioner Nieland along with his assistance to perhaps designate a value for each specific service for those components that Arent Fox is asking to perform as opposed to a budget.

Commissioner Nieland stated that since the Board approves Arent Fox’s invoices, he would ask that they organize all of the communications with the government in connection with the OIG subpoena. BH has been extremely helpful to the government and will continue to be helpful to the
government. Unfortunately BH does not know what the position of the government is right now and the government has basically told BH that they will get back to BH and BH is still waiting. Commissioner Nieland said he did not disagree that they need to watch that and possibly take some things on, but BH still does not know what the government wants. Commissioner Nieland feels that being too aggressive right now could be detrimental to BH in the long run especially if there is a question of interference since BH does not know what the government wants or what they are going to do.

Commissioner Gustafson feels that since the exposure for BH is so great, he did not believe that we should just sit and wait. If there is some house cleaning that needs to be done, he thinks it should be done. BH has already spent a lot of money and he feels that BH should spend a little more money for Arent Fox to work on the specific components as listed in their memorandum.

Commissioner Rodriguez said that he has full confidence in Commissioner Nieland but at the same time, he agrees with Commissioner Gustafson. If there is a way for Commissioner Nieland to monitor Arent Fox, it could be that ounce of prevention that is needed in case something would come up.

Chair Di Pietro stated that he was thinking of the Risk Committee since only one Board member sits on that committee because of Sunshine. The Board could designate a subcommittee of the Risk Committee, appoint a board member to serve who could give direction to Arent Fox and when a significant issue comes up, it can be brought back to the Board individually or in another capacity. The subcommittee would monitor legal fees and direction on how much BH is willing to spend and if the project is worth it. It will not be a subcommittee to evaluate damages. Chair Di Pietro asked if the Commissioner appointed to the subcommittee would be able to speak with any Commissioner and still have it remain privileged. Mr. Goren said that is correct but subject to certain legal constraints.

Mr. Nask asked if we know what they want to do and how much it is going to cost.

Mr. Goren said that he reviewed the confidential document which really now boils down to Arent Fox's analysis and recommendation related to three different areas of assignments. Those three assigned tasks have a monthly budget affixed to each of them with a not to exceed figure. One of the ways that he and Commissioner Nieland could coordinate the next conversation with the law firm is to suggest that Arent Fox would give BH a flat fee, or at least an approximate flat fee, for each of the three tasks being suggested. Mr. Goren said that if that is a position that the Board wants to take, he would take that position with Arent Fox along with Commissioner Nieland's assistance.

Commissioner Nieland said that he has no problem with the recommendation; however, he feels that the Board would still need the Chief Internal Auditor to read in on those items. He feels that he would need someone to assist them in keeping a BH eye on the numbers.

Chair Di Pietro asked where privilege lands. Mr. Goren said that privilege lands with the Board members along with Mr. Goren and Frank Nask who are Charter officers of the organization. Mr. Goren said that he has spoken with Ms. Panyi, as to her role in this matter and as BH's Chief Internal Auditor, about this and if this document is given to her, it would then become a public record since Ms. Panyi is not a Charter officer of the organization; she is part of the Bylaws. Mr. Goren also stated that the Board should be mindful that any delegation to a BH Board member to
make decisions creates another Chapter 286 F.S. Sunshine Law challenge which is decision-making without public discussion.

Chair Di Pietro asked if Arent Fox could provide Commissioner Nieland with a more detailed bill so he could then report to the Board that he has reviewed the bills. Mr. Goren said that he would research that request and report back to the Board.

Commissioner Nieland said that this could pose problems for him because if he is working his day job on behalf of the government and the Board is designating him to directly work somewhat against the government or with the government, it could put him in a difficult position. He said that he has no problem monitoring but when it gets down to direction, it will be an issue for him.

Mr. Goren said that he is happy to work with Commissioner Nieland, as appropriate, and to discuss work on some kind of bases with Arent Fox in quantifying these fees and expenses and better regulate some of their activities going forward.

Mr. Goren offered the motion to authorize and direct Commissioner Nieland as the Board delegate to coordinate with General Counsel in conversations with the Arent Fox law firm for their assignments and duties that may require approval by Commissioner Nieland going forward. It was moved by Commissioner Gustafson, seconded by Commissioner Rodriguez.

Motion carried unanimously.

COMMITTEE REPORTS:

Joint Conference Committee--January 29, 2014- Commissioner Darryl Wright asked that the minutes be accepted as submitted.

It was moved by Commissioner Rodriguez, seconded by Commissioner Wright, that the Board of Commissioners accept the minutes of the Joint Conference Committee meeting held on January 29, 2014. Motion carried unanimously.

Finance Committee --February 19, 2014 – Commissioner Debbie Kohl stated that all items are currently listed on the agenda for final approval with the exception of a request to sell vacant land in the City of Sunrise. That request was denied since the Committee was not willing to accept their offer. She asked that the minutes be approved as submitted.

It was moved by Commissioner Di Pietro, seconded by Commissioner Rodriguez, that the Board of Commissioners accept the minutes of the Finance Committee meeting held on February 19, 2014. Motion carried unanimously.

Legal Affairs Committee --February 19, 2014 – Commissioner Joel Gustafson asked for approval.

It was moved by Commissioner Kohl, seconded by Commissioner Rodriguez, that the Board of Commissioners accept the minutes of the Legal Affairs Committee meeting held on February 19, 2014. Motion carried unanimously.

AGENDA CHANGES—There were none
CONSENT AGENDA.


7. Approval of payment to Arent Fox for OIG Matters—December Invoices

8. Authorization for the President/CEO to amend and execute a contract between the North Broward Hospital District, to include Broward Health Medical Center, and Special Care Providers of Broward Inc., in the amount of $1,066 per patient day, as subject to General counsel’s review and approval as to legal form and conditioned on no material changes in the approved business terms.

9. Authorize the President/CEO to: 1) purchase $1,590,402 of capital equipment consisting of PCs, workstations, telephone/network equipment, security system and construction/inspection fees, pertaining to the South Florida Community Care Network 5 year Managed Medical Assistance Contract; 2) to authorize funding of $1.5 million for working capital to SFCCN related to the Managed Medical Assistance Contract and 3) to authorize the President/CEO to enter into a 5 year building lease in Sawgrass, commencing June 1, 2014 with lease costs totaling $2,115,014 in preparation of the July 1, 2014 implementation of the MMA contract.

10. Approval of Broward Health ACO Board Actions:
   Appointment of Dr. Maxine Hamilton as the community physician
   Approval of the Aetna Consulting Agreement

It was moved by Commissioner Gustafson, seconded by Commissioner Kohl:

THAT THE BOARD OF COMMISSIONERS APPROVE ITEMS 7 THROUGH AND INCLUDING 10 AS LISTED ON THE CONSENT AGENDA.

Motion carried unanimously.

DISCUSSION AGENDA

11. Approval of the Broward Health Foundation Board Resolution 01-21-2014 approving proposed Amendments to the Articles of Incorporation relating to the maximum number of Board Members and an Amendment to the Corporate Bylaws relating to the Corporate name, the number of Board members and Designation of Committees: Directing that such amendments be submitted to a vote of the member of the Corporation; and providing for an effective date.

Mr. Stefanacci presented Item 11. He stated that Resolution 01-21-2014 will allow the Broward Health Foundation Board of Directors to increase its membership from 25 to 30. He said that it has been discussed many times that the Foundation needs to be able to continue to enhance the level of board participation by adding more members to enable it to better fulfill its strategic plan. Mr. Stefanacci reminded the Board that the Foundation has a number of big projects that they have taken on as noted at the Strategic Planning Retreat.
It was moved by Commissioner Kohl, seconded by Commissioner Rodriguez:

THAT THE BOARD OF COMMISSIONERS APPROVE BROWARD HEALTH FOUNDATION BOARD RESOLUTION 01-21-2014 APPROVING PROPOSED AMENDMENTS TO THE ARTICLES OF INCORPORATION RELATING TO THE MAXIMUM NUMBER OF BOARD MEMBERS AND AN AMENDMENT TO THE CORPORATE BYLAWS RELATING TO THE CORPORATE NAME, THE NUMBER OF BOARD MEMBERS AND DESIGNATION OF COMMITTEES: DIRECTING THAT SUCH AMENDMENTS BE SUBMITTED TO A VOTE OF THE MEMBER OF THE CORPORATION; AND PROVIDING FOR AN EFFECTIVE DATE.

Motion carried unanimously.

12. Authorization for the President/CEO to enter into a lease/purchase agreement for the Spectrum Properties and approve associated relocation costs for a total project budget of $16,865,243.
   a) Appraisals
   b) Lease
   c) Agreement for Purchase and Sale

Mr. Paul Echelard, Sr.VP/COO and Mr. Kenneth Warner, Director of Financial Management for Broward Health presented Item 12 which was previously discussed in great detail at the Finance Committee. At the Finance committee it was requested that the pro forma be reviewed by the Internal Auditor and be placed on the Discussion Agenda. Mr. Echelard stated that since he went through the entire presentation at the Finance Committee meeting in great detail he was only going to review the pro forma. Mr. Echelard said that the Internal Auditor has reviewed the pro forma; it has been modified a little at the Internal Auditors suggestions and that the pro forma was circulated to the Commissioners on Monday. Ms. Panyi has since modified one small item on the pro forma which she has discussed with you.

Mr. Echelard spoke to the the major changes to the pro forma: removal of the $4 million from the sale of the land on Pine Island; added the cost of voidance for not renovating the present district headquarters which would be about $12 million which has been spread over a 5 years period over the pro forma; reduced the rent in the first year from 95% to 80% in the second year but in the third year it was put back at 95%.

Chair Di Pietro asked Ms. Panyi if she had anything to provide. Ms. Panyi stated that this is the correct pro forma and the net present value has been extended from 10 years to 25 years which shows a positive return. It is a long term investment that the Board needs to consider. Ms. Panyi stated that most of the numbers came from the management company and BH was unable to verify independently so she cannot value those numbers.

Chair Di Pietro asked who did the due diligence on the numbers. Mr. Echelard said that the data is from the actual reports from the present owners. Chair Di Pietro asked if they indemnified if there were any omissions that could occur. Mr. Doody replied no sir.

Jeff Holding from CBRE who represented the District in this transaction stated that the operating expenses actually came from a management company of the properties
(TransWestern) and not CBRE. He said that those were the actual expenses that the ownership is currently incurring that were provided as part of the data.

Chair Di Pietro commented that part of due diligence is having BH opening out their books and looking at their numbers. He said it was concerning that BH has not done their due diligence. He felt that the Board needs to talk about whether the actual move gets approved as a policy move based on the financials. That was his only concern even though the financials have improved.

Mr. Echelard said that they did look at their numbers and validated what BH is currently spending to operate BH’s present headquarters and then compared those numbers. BH is currently spending a little more than what they are projected to be but BH is a non-energy efficient building and they are a more energy efficient type of operation. Mr. Echelard said that when they reviewed the numbers that were given to BH and applied some of the principles used in some of BH’s other buildings they felt that they were in the right ball park.

Commissioner Rodriguez thanked Ms. Panyi for reviewing the pro forma. He said that the price that BH is paying is basically the same price that the other company paid in 2001 and real estate is not getting cheaper and commercial real estate is slightly going up. Commissioner Rodriguez said it appears that it is necessary to move the corporate headquarters because it is not worth spending the money to repair it plus the new building seems to be more centrally located for everyone.

Mr. Nask said that BHMC, as the hub of BH’s system, will ultimately need more opportunity for expansion. He commented that this move came about from a number of expansion issues; CDTC relocation and Surgery or Diagnostic centers since many of the managed care companies are now moving away from hospitals to diagnostic centers. Administration thought having more space around BHMC that was not being used for administrative purposes would be more user friendly for clinical facilities to be located on the campus of BHMC. Mr. Nask said that they can either use this property for expansion or stay in the building which will need major renovations. Mr. Nask said that anywhere BH decides to move its corporate offices will cost about $1 million in rent. Mr. Nask stated that there is an urgency to develop more property around BHMC and the relocation of the corporate offices has been discussed for the past 6 to 7 years and this appears to be the best deal.

Commissioner Rodriguez said that with the knowledge that he has in the industry, this is a good deal.

Chair Di Pietro asked what the life span is on the current building. Mr. Echelard replied negative.

Mr. Echelard said that if we stay in the corporate building, it would need to be renovated and that cost would be around $12 million.

Chair Di Pietro asked when the $16 million would be spent. Mr. Echelard said that the $13.5 million would come out in the next 60 days; BH would then begin the tenant improvements and IT expenses and by the end of the calendar year 2014, the balance is targeted to be spent.
Commissioner Gustafson said that there is an opportunity to use this new for Doctors' offices and clinical facilities. He believes this is good opportunity.

Commissioner Wright said he thought that at this meeting they would be addressing the travel time savings and man hours saved in centralized training rather than doing training at all four (4) facilities. Mr. Echelard said that they are still in the process of trying to quantify the amount of travel that would be eliminated from that standpoint but it takes a period of time to pull that information from each hospital and then truly allocate that cost reduction. Commissioner Wright believes that this is going to be a significant number; administration just needs to know how to quantify it. Mr. Echelard said it could be around $100,000 to $200,000 and those numbers were not included in the pro forma.

Commissioner Di Pietro commented that if BH kept the corporate office it would be necessary to spend $12 million in renovations and they would lose this land for expansion; however, if they relocate, the cost is $16.8 million and BH has the additional property around the BHMC campus for expansion. Chair Di Pietro said, so in reality, administration is asking for an additional $4 million to relocate and for that BH is getting more space around BHMC to be used for clinical use.

Chair Di Pietro said that if BH is going to move forward with developing the BHMC campus then the relocation of the corporate office is more of a strategic move; therefore, the actual dollars and cents projected long term is more or less a wash.

Commissioner Niehlad said from a policy standpoint the only issue he has is that BH is banking on base rental revenue that will be bringing in $8.2 million over 10 years of rent. His concern is that he hopes that those rentals would be more from a healthcare standpoint, as referenced by Commissioner Gustafson earlier, not managed holdings.

Mr. Nask asked what the timeline was for moving people into the new facility. Mr. Echelard said that the first phase is targeted for September 1st 2014; and the second phase will be January 1, 2015.

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

THAT THE BOARD OF COMMISSIONERS AUTHORIZE THE PRESIDENT/CEO TO ENTER INTO A LEASE/PURCHASE AGREEMENT FOR THE SPECTRUM PROPERTIES AND APPROVE ASSOCIATED RELOCATIONS COSTS FOR A TOTAL PROJECT BUDGET OF $16,865,243.

Motion carried unanimously.

COMMENTS BY COMMISSIONERS—There were none

AT 6:10 p.m. THE PUBLIC MEETING OF THE BOARD OF COMMISSIONERS RECESSED. AT 6:15 p.m. THE BOARD ALONG WITH MR. NASK, MR. GOREN AND MR. JONATHAN LYNN ESQ. ENTERED INTO A SHADE SESSION REGARDING; Michael Rardin vs. Broward Health North, Case No. 12-34723(13) — Broward County Circuit Court (17th Judicial Circuit) Defense Counsel – Jonathan Lynn, Esq. of Chimpoulis Hunder & Lynn
At 7:00 p.m., the Shade Session concluded and the Board reconvened the Public Meeting at 7:05 p.m.

Roll called showed present:
Commissioner David Di Pietro
Commissioner Joel Gustafson
Commissioner Debbie Kohl
Commissioner David Nieland
Commissioner Rocky Rodriguez
Commissioner Darryl Wright

Also in attendance: Sam Goren General Counsel, Frank Nask President/CEO NBHD and Jonathan Lynn Esq.

Mr. Goren provided the form of the motion to settle the Rardin Case in the amount of $3.2 million of which $1 million is payable by Phoenix and the balance by Broward Health.

Commissioner Di Pietro confirmed that this was discussed in the Shade.

Motion carried unanimously.

NEXT REGULAR BOARD MEETING

The next regularly scheduled Board of Commissioners' meeting will be held Wednesday, March 26, 2014 at 4:00 p.m. in the auditoriums at Broward Health Medical Center, 1600 South Andrews Avenue, Fort Lauderdale, Florida.

The public meeting adjourned at 7:10 p.m.

Respectfully submitted,
Debbie L. Kohl, Secretary/Treasurer

BY: Maryanne Wing

A FULL RECORDING OF THIS MEETING IS AVAILABLE ON TAPE