

NORTH BROWARD HOSPITAL DISTRICT

BOARD OF COMMISSIONERS' REGULAR MEETING Broward Health Medical Center - Auditoriums March 26, 2014 – 4:00 p.m.

Minutes

The Regular meeting of the Board of Commissioners of the North Broward Hospital District was held on Wednesday, March 26, 2014, at 4:00 p.m. in the auditoriums at Broward Health Medical Center, 1600 South Andrews Avenue, Fort Lauderdale, Florida.

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

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

ROLL CALL showed present:

Commissioner David Di Pietro, Chair
Commissioner Joel Gustafson, Vice Chair
Commissioner Debbie Kohl, Secretary/Treasurer
Commissioner David Nieland, Board Member
Commissioner Rocky Rodriguez- Board Member
Commissioner Darryl Wright – Board Member

The Invocation was given by Chaplain Nathaniel Knowles of the Broward Sheriff's Office followed by the Pledge of Allegiance led by Calvin Glidewell, CEO of Broward Health Medical Center.

COMMENTS FROM THE AUDIENCE

Mr. John deGroot addressed the Board and stated that the legal mechanism to privatize the District hospitals was in place. He said it is being discussed corporately and inferred that there was a 3/3 vote on the Board to privatize. He then provided a scenario whereby in five years the District would be purchased by HCA. Mr. de Groot also commented that there is a plan in the Governor's office to privatize the District.

Mr. Nask said that he usually did not respond to comments made by those in the audience; however, he felt that it was important to respond to Mr. de Groot's comments. Mr. Nask said that there is no plot to

sell the District—he knows of none. There has not been a discussion or commentary to do anything with the NBHD system other than to continue to operate it. Mr. Nask mentioned that the District is in a situation right now where they are seeing some of the indigent numbers declining; however, the District is seeing those people that they have taken care of, and who are now enrolled in the Affordable Care Act, continuing to use the District facilities. Mr. Nask said he felt it necessary to respond to these allegations because he did not want rumors out there that the District is being sold. Mr. Nask stated for the record there is no plan that he knows of that he or Mr. Goren or any board member is working on to divest the system from anything other than its current structure.

APPROVAL OF MINUTES

- Request approval of the Minutes of the Regular Board of Commissioners’ meeting held on February 26, 2014.

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

THAT THE BOARD OF COMMISSIONERS APPROVE THE MINUTES OF THE REGULAR BOARD OF COMMISSIONERS MEETING HELD ON FEBRUARY 26, 2014 AS PRESENTED.

Motion carried unanimously.

- Request approval of the Minutes of the Broward Health ACO Services Inc. meeting held on February 26, 2014.

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

THAT THE MINUTES OF THE BROWARD HEALTH ACO SERVICES INC. MEETING HELD ON FEBRUARY 26, 2014 BE APPROVED AS PRESENTED.

Motion carried unanimously.

MEDICAL COUNCIL AGENDA

- **BROWARD HEALTH MEDICAL CENTER**

Dr. Chokshi provided the following update:

- BHMC Medical Education department received a \$75,000 grant from the Hearst Foundation for a simulation lab and training mannequins for medical residents.
- BHMC held a grand opening for the new Broward Health Complete outpatient retail pharmacy on March 12th. Sales to date in the new pharmacy and the inpatient capture rate for patients being discharged have far exceeded expectations.

- Ribbon cutting for the new outpatient infusion area was held on March 25th. The \$1.65 million project was funded through a challenge grant from the Salah Foundation and showcased Philips “ambient experience” design features.
- BHMC is now offering Lavender Spa services (massages, facials, body wraps) in the Lillian S. Wells Center in order to introduce and attract a compensated/funded clientele to the Center.

Dr. Rajiv Chokshi, 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 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 IMPERIAL POINT**

Dr. Groene informed the Commissioners that volumes remain strong and they are continuing to create more private rooms at BHIP.

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.

Dr. Groene reported that there was an error on their report. Dr. Gary W. Wallach DPM is Director of Surgery Podiatry and not Director of Medicine.

Commissioner Gustafson moved, seconded by Commissioner Kohl that the Board of Commissioners approve the amendment to the BHIP Medical Council report. Motion carried unanimously.

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 4 (A-D) AS AMENDED.

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

Motion carried unanimously.

5. BROWARD HEALTH CORAL SPRINGS

Dr. Sachedina provided the following update:

- On March 29, BHCS will be holding the 9th Annual Broward Health Coral Springs Women's 5K Run and Walk to benefit the Lisa Boccard Breast Cancer Fund. Last year they had an all-time high participation of 1400 runners and walkers and this year they are anticipating about 2000 participants. The 1/2 mile marathon will begin at 6 a.m. and the 5K run walk will begin at 7:30 a.m.

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 Kohl, seconded by Commissioner Rodriguez:

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.

6. BROWARD HEALTH NORTH

In the absence of Dr. Hoffberger, Dr. Douglas Ford gave the following update:

- Broward Health North was invited by the FHA HEN (Hospital Engagement Network) to participate in a presentation on quality they were making to the Florida Legislature during

Hospital Days. Their first place winning presentation at the Broward Health Quality Showcase in February was converted into a poster for this presentation.

- On March 18th, BHN hosted the annual Commissioner's Auxiliary Appreciation Luncheon. Commissioner David Nieland and more than 70 volunteers attended the luncheon. Pauline Grant thanked the volunteers for their continued commitment and service, and also for their fundraising efforts and generosity through donations to the hospital. BHN currently have 130 active volunteer members who provided 36,215 volunteer hours to the hospital.
- Comprehensive Stroke Center is sponsoring their 2nd annual two-day Stroke Symposium to be held on May 2nd & 3rd. Leading stroke experts will come together to provide an interactive environment with the most up-to-date information on identification, evaluation, and treatment for stroke patients. Registration is now open and there are brochures available to take back to their staff who may be interested in attending. The program has been approved for 12 CME and CEU for Nursing & Social Workers.

Dr. Douglas Ford, former Chief of Staff, reported that the Medical Council had reviewed and recommended for approval by the Board of Commissioners all exhibited Medical Staff Additions and Resignations; Medical Staff Reappointments; Allied Health Reappointments and Community Health Reappointments.

Prior to the Board voting on the BHNorth Medical Council request, Chair Di Pietro recused himself from voting on Dr. Subash Gupta due to a business relationship.

Mr. Goren stated that Chair Di Pietro would be filing the appropriate paperwork prior to the April Board meeting. It will be filed with the Clerk of Record.

It was moved by Commissioner Gustafson, seconded by Commissioner Nieland on approving the medical council's request with the exemption of Dr. Subash Gupta. Motion carried unanimously.

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

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

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

Motion carried. Chair Di Pietro did not vote.

CEO REPORT

Mr. Nask asked that items 13-14 and 15 on the Discussion agenda relating to the SFCCN be moved forward to accommodate Mr. John Benz who is in attendance today in support of these items and needs to get back to the SBHD Board meeting.

It was moved by Commissioner Rodriguez, seconded by Commissioner Kohl that Items 13-14 and 15 as listed on the Discussion Agenda be moved under the CEO Report for Board action. Motion carried unanimously.

13. Approval for the President/CEO to execute an Interlocal Cooperation Agreement (ICA) between the North Broward Hospital District and the South Broward Hospital District for Managed Care Services.

Mr. D. J. Doody, Assistant General Counsel addressed Item 13. The Interlocal Cooperation Agreement is the companion document for Items 14 and 15. Mr. Doody then presented an overview of the history of the Interlocal Cooperation Agreement. He explained that it is an outgrowth of a collaboration that began in 1998 between the NBHD, SBHD and The Public Health Trust of Miami Dade. The intent of the agreement was to provide services to Medicaid recipients in both Broward and Dade County. That agreement was amended in 2003 and recently in 2014.

Mr. Doody informed the Commissioners that in February of 2014, the Agency on Health Care Administration (AHCA) awarded a new contract to provide services to Medicaid recipients in Broward County only. As a result, The Public Trust of Miami Dade resigned from the Interlocal Agreement. Mr. Doody stated that the Agreement in front of them today for approval was drafted to memorialize the understanding reached between the NBHD and the SBHD and how to provide the best managed care services in accordance with the terms of the new contract. The Agreement was created in accordance with Chapter 163 of the F.S. to provide those managed care services.

Mr. Doody then reviewed some of the highlights of the agreement:

Article 3—Management—Section 3.2 identifies Major Decisions Those decisions would require approval of the NBHD board to move forward and will govern the providing of services by the Network (SFCCN).

Mr. Nask informed the Board that several years ago the State put in place a pilot project for Medicaid Managed Care. One of the counties awarded that pilot contract was Broward County. The NBHD, SBHD and the Public Trust then formed the SFCCN which was supposed to go on for a few years and lasted for 10 years. Mr. Nask explained that in the last year, the State passed legislation to actually create managed care entities across the state and now the entire state consisting of 11 regions is operating under managed care programs.

Mr. Nask stated that through an RFP process, the NBHD/SBHD were one of four (4) companies awarded the bid: Simply; NBHD/SBHD; and two managed care companies Humana and

Sunshine. Mr. Nask explained that over the past year they have been creating the documents to form the LLC to participate in the Managed Care program which will give the SFCCN 60,000 to manage with a rate per member per month. The number is estimated to be around \$200 million that will flow in to fund Medicaid in the county. The other three participants in the program will get 60,000 lives covering approximately 240,000 lives in the county. Mr. Nask said that this was the genesis for forming this corporation and the development of these documents.

Mr. Doody explained the purpose of the documents: The Interlocal Cooperation Agreement (ICA) creates a general partnership; Articles of Organization will convert the ICA into a Limited Liability Company based on the advice of tax accountants; and then there is the Operating Agreement. These documents memorialize the basis under which the NBHD and SBHD will managed this particular contract from AHCA to provide those manage care services. Once approved, the SFCCN will be set up as a separate entity with its own employees to provide the services in accordance with the contract it has with AHCA.

Commissioner Gustafson asked if the NBHD's Board approval was contingent on the SBHD approving the same documents. Mr. Doody said that the SBHD has already approved the exact same documents. He said that the NBHD and SBHD worked together jointly to put these documents together with the assistance of Mr. Philip Blank legal counsel for the SFCCN.

Chair Di Pietro said that he attended the District's Governance Committee meeting and the only issues he had raised: 1) revisit the governance structure of the Board (currently there are only two board members Mr. Nask and Mr. Sacco for now in order to get the organization started; however, Chair Di Pietro feels that there should be more than two Board members once the organization gets started) and; 2) that Mr. Benz, who has been appointed the Manager of the SFCCN, should provide either monthly or quarterly reporting of the financials back to the NBHD Board. Mr. Nask said that it was agreed that there would be monthly financial reports provided to the NBHD Board members.

Mr. Gustafson asked if those recommendations by the Chair should be put into a motion. Mr. Doody said it could be a condition of approval.

Commissioner Nieland asked if there was a fair market value on the dollar amount relating to **Article 3.2 Sub Section B and C**. Mr. Nieland feels that District Board should stay in line with the District's signing authority of \$250,000. Mr. Doody stated that the intent was that this is going to be 50/50 split so it does not supersede the authority of Mr. Nask's signing authority of \$250,000. Mr. Nask and Mr. Sacco's signing authority combined is \$450,000 (\$225,000 for each board member.)

Chair Di Pietro asked Mr. Benz how they arrived at the \$450,000. Mr. Benz said they looked at Mr. Nask' signing authority of \$250,000 and Mr. Sacco's signing authority of \$300,000 and lowered it to \$225,000 for each. Mr. Doody said that under the operating agreement it states that anything over their signing authority must come back to their respective Boards.

With regard to the Salary survey, Mr. Benz informed the Commissioners that they are currently in the process of conducting an outside survey as it relates to all the salaries. Compensation for the top five (5) individuals would come back to Board members (Nask and Sacco) for their review.

Mr. Benz addressed the \$450,000 signing authority. He said that tomorrow there is a member's meeting in order to approve some contracts, none of which have a \$250,000 or \$450,000 value but are needed to help make the SFCCN become operational. He believes that \$450,000 is a reasonable number today and it is codified in the documents being presented for approval today. However, if the NBHD Board wants Mr. Benz to report anything over \$250,000 he would be happy to report that information. Mr. Benz explained that for certain purchases he would have no power and anything over \$450,000 would need to come back to the Board members (Nask and Sacco) for approval. He also informed the Board that there is also a Procurement Code that follows the same laws as a public entity that Mr. Benz will need to follow with a signing authority at \$225,000 for each board member. Mr. Benz feels that to get the SFCCN up and running, it is important that these documents be signed with the \$450,000 signing authority. He also stated that the signing authority amount can be re-addressed once the SFCCN is up and running; however, there are contracts that are time sensitive that must be signed in order to have the SFCCN operational by the July 1st AHCA deadline.

Chair Di Pietro asked who would be the General Counsel for the SFCCN. Mr. Doody said Philip Blank out of Tallahassee. He then asked who would be the Internal Auditor. Mr. Benz explained that a screening committee will be formed for hiring the c-suite employees. Those members would then sort out and prioritize who they would like for those positions. Their comments will then be sent to the two CEOs (Nask and Sacco) for their review and comments and then the President/CEO (Benz) of the SFCCN would make the selection.

Commissioner Wright asked why Phil Blank? Mr. Benz said that Mr. Blank was the counsel when the SFCCN was first formed and included all three members (NBHD, SBHD and The Public Trust) and was also the counsel that was used when submitting the bid to AHCA. Mr. Blank is the most familiar person not only with the application but also the law.

Commissioner Wright asked if these exhibits were already approved by the SBHD. Mr. Benz stated that at a Board Retreat, the Board gave Mr. Sacco the conceptual go ahead to move forward. Mr. Sacco has the power to sign all of the documents.

Commissioner Wright asked if it went to their Board for final approval. Mr. Benz stated that it did not go through the same process as the NBHD. Commissioner Wright expressed some concern that it had not gone to the SBHD's Board for formal approval. He felt strongly that the process for approval should be the same and both Boards should formally approve these items.

Chair Di Pietro asked if it would be a problem if the NBHD Board approved subject to approval by the SBHD Board approval.

Mr. Benz said he did not know that answer. Mr. Benz reiterated that the South District Board has already given Mr. Sacco the authority to approve and the South District Board also approved the filing of the application with AHCA along with the Performance Bond and Cash Flow approval. Mr. Benz stated that the SBHD board is completely behind this product. They have voted on three difference elements of this project and are very supportive of this project.

Chair Di Pietro asked who would be signing the Interlocal Agreement. Mr. Doody said it would be Mr. Nask and Mr. Goren for the NBHD and for the SBHD it would be Mr. Sacco and SD's General Counsel; the Articles and Operating agreements would be executed by Mr. Nask and Mr. Sacco.

Chair Di Pietro stated that two issues have been raised: the signing level; and if the SBHD Board needs to ratify the actions taken by the NBHD's board.

Mr. Doody then went on to present items 14 and 15.

14. Approval to authorize the President/CEO to establish a Not-for-Profit Affiliate and to approve the Articles of Organization of the South Florida Community Care Network (SFCCN), LLC.

Mr. Doody said that Item 14 is basically the document that will create the SFCCN LLC as a limited liability company pursuant to Chapter 605 of the F.S.; **Article 3** basically states the purpose and power of the LLC.

15. Approve the Operating Agreement of the South Florida Community Care Network (SFCCN) LLC.

Mr. Doody said that this agreement is similar to what are generally corporate bylaws. These are the rules under which the Network is going to be operated as a LLC. Mr. Doody referred to

- **Article 3.1 Page 4** where it lists the specific powers under which the LLC will operate and its intent to do. This also takes in to account the two (2) Board Membership; each District will be represented by their CEO (Nask and Sacco); it will be operated on a day-to-day basis by a manager (Mr. John Benz will be the CEO of the SFCCN LLC entity). It also addresses Commissioner Nieland's issue of the \$450,000 signing authority.
- **Page 10, Section 11.2** addresses 'Major Decisions' this too intends to mirror the Interlocal Agreement so there are no inconsistencies.

Chair Di Pietro stated that he noticed that it referred to a **Compliance Officer in Section 12.2** and asked if the roles for the Compliance Officer and Internal Auditor were the same would that create any issues. Mr. Nask and Mr. Doody replied no. Mr. Benz said that he would like to see two separate individuals but for the beginning and for economic reasons combing them should not be a problem. Chair Di Pietro asked if during the interim if he had a problem giving the NBHD's internal Auditor full rights and access to any documents that she would request. Mr. Benz replied no. Mr. Doody said that this entity would be operating in accordance with the Sunshine Law.

Maria Panyi, Chief Internal Auditor NBHD, asked if there was going to be any independent audit done from an external independent party on the SFCCN. Mr. Benz stated that the contract requires that an independent audit be done. He also commented that independent audits have been done in the past and they are currently in the process of doing an audit now to close out June 30th. Mr. Benz stated that by July 1, the equity needs to be defined for The Public Health Trust, NBHD and SBHD. In addition, Mr. Benz informed the Commissioners that he believes that this organization will require a larger auditing firm so they will be going out for an RFI for an accounting firm. Mr. Benz explained that the selection of the firm will be submitted to the Finance Committee of SFCCN which will then go to the Board members (Nask and Sacco) for the final selection.

Mr. Doody then referred to **Page 16; Article. 21 Dispute Resolution**: He said that one of the issues that came up was how to avoid a deadlock. This section clearly states that in the event that the two members cannot agree, they will seek mediation.

Chair Di Pietro then entertained a motion to approve Item 13--- Interlocal Agreement.

It was moved by Commissioner Rodriguez that the Board approve the Interlocal Agreement subject to 1) financial reporting obligation on a monthly bases; 2) within a year's period revisit the governance structure with potentially expanding the Board; 3) reporting any items over the \$250,000 amount to the Financial Statements; 4) Ratification by the SBHD's Board of the NBHD's Board's action with regard to these items.

Mr. Benz said he would prefer the North District approving the document with the \$450,000 amount but committed to reporting any item over \$250,000 back to the North District's Board. He said that once the SFCCN is up and running and if the NBHD Board still wants to lower the signing authority to \$250,000 or even \$150,000 he would not care but right now, he would appreciate it if it could remain at \$450,000 for the start-up so that these documents could be filed tomorrow. Mr. Benz said that he wanted them to know that the \$450,000 amount is not something that he would take lightly. Mr. Benz said that Mr. Sacco and the South District's General Counsel have already signed the documents with the \$450,000 amount in the documents. In order to change that figure there would need to be a meeting of the members and then they would have to bring it back to the South District's Board meeting next month. Mr. Benz stated that this would cause a major delay and would not allow him to sign several documents i.e. Lease and an ATT networking contract that are essential to the operation of the SFCCN LLC.

With Regard to the monthly reporting of the financials including any items over \$250,000, Mr. Nask said that this information can be reported at the North District's Finance Committee meetings. Due to the July 1st deadline, Mr. Nask asked the NBHD Board allow the documents to go forward as written with the \$450,000 and at a later date, the signing authority can be revisited. With regard to the having the South District's Board ratifying the District's actions today, Mr. Nask stated that he did not think it appropriate to ask Mr. Sacco to go back to his board when Mr. Sacco feels his Board has ratified these agreements and has given him the authority to move forward. Mr. Benz agreed.

The issue of the SBHD's board ratifying the actions of the NBHD's Board with regard to these documents was dropped because it could delay meeting the July 1st deadline. Mr. Goren stated that there are now three (3) items which would be included in the motion to approve Item 13: Financial Reporting obligation on a monthly bases; within a year's period revisit the Governance Structure with potentially expanding the Board; Mr. Benz reporting any items over the \$250,000 amount to the Financial Statements.

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

That the Board of Commissioners Approve item 13 (The Interlocal Cooperation Agreement) subject to the following: 1) Monthly financial reporting; 2) Revisit after a year the Governance Structure with the potential of expanding the Board); 3) Supplement to the financial reporting any items over \$250,000.

Mr. Doody clarified that there are no changes to the documents being approved today by the NBHD Board and they were approved with the \$450,000 signing authority amount. Mr. Doody said that they are planning to file all of the documents tomorrow as submitted today.

Chair Di Pietro said that he would like to amend the motion to reflect revisiting the \$250,000 amount and the Governance Structure 30 days after the July 1 filing.

Commissioner Rodriguez and Commissioner Gustafson approved of the amendment: the motion will now read:

That the Board of Commissioners approve item 13 (The Interlocal Cooperation Agreement) subject to the following: 1) Monthly financial reporting; 2) revisit the signing authority and Governance Structure 30 days after the July 1 filing.; 3) Supplement to the financial reporting any items over \$250,000;

Roll Call:	Commissioner Di Pietro	yes
	Commissioner Gustafson	yes
	Commissioner Kohl	yes
	Commissioner Nieland	yes
	Commissioner Rodriguez	yes
	Commissioner Wright	yes

Motion carried unanimously.

Vote on Item 14:

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

That the Board of Commissioners authorize the President/CEO to establish a Not-for-Profit Affiliate and to approve the Articles of Organization of the South Florida Community Care Network (SFCCN), LLC.

Motion carried unanimously.

Vote on Item 15:

Chair Di Pietro recommended that a motion be made that the District's Internal Auditor have full access to any records or any information of the SFCCN LLC and have the authority to do an audit as she sees fit. Chair Di Pietro asked that Item 15 be approved subject to his recommendation.

It was moved by Commissioner Nieland, seconded by Gustafson:

That the Board of Commissioners approve the Operating Agreement of the South Florida Community Care Network (SFCCN) LLC; Subject to the District's Internal Auditor having full access to any records or any information to the SFCCN LLC and the authority to perform any audit as she sees fit.

Motion carried unanimously.

RECAP OF TODAY'S ACTIONS;

Mr. Doody stated that the actions taken today by the NBHD Board of Commissioners relating to the SFCCN LLC documents Items 13 – 14 and 15 are conditions of approval and that no documents presented today have been amended.

Mr. Benz said that he has taken note of the NBHD Board's concerns and he believes that these joint agreements will make it a better place for the Medicaid patients in our community a better place to live.

CEO Report continued:

Mr. Nask reported that in addition to the Patient HCAPHS and Employee Opinion surveys, there is in addition to those the Medical Staff Physician Satisfaction Survey. The Medical Staff Physician Satisfaction Survey is done confidentially and by an outside vendor. Mr. Nask reported that 2 1/2 years ago when the survey was done, there were 490 responses and this year there were 510 responses which equates to a 40% response rate and is the national average of responses from a medical staff. Mr. Nask said that it will take about 6 to 8 weeks to get the responses back and once BH receives that data, it will be reviewed by the CEOs. Action plans will then be put in place to affect any dissatisfaction. This survey is a tool that allows BH to stay in touch with physicians and it also provides for better communication between the organization and physicians.

Mr. Nask distributed a copy of the monthly Aetna Report (it was requested at the last ACO Board meeting that the Board receive monthly Aetna Reports). Mr. Nask said that other than a couple of governance type committees being establish to oversee movement in the ACO, not much has happened over the last month. The report is part of the six month engagement that was approved six (6) months ago.

Mr. Nask stated that through a very generous grant from the Salah Foundation, the Broward Infusion Center is now completed. This was a \$1.8 million project and the Salah Foundation donated a third of that

money. He said that Infusion procedures can go on for up to 8 hours and this new center has new furniture, computers, and beds that patients will have access to in little rooms. Every chair was donated by a \$10,000 gift it is a magnificent center and has taken about 2 years to complete it. The Center showcased Philips “ambient experience” design features. It is located across from the Radiation Center and in the Lobby of the medical office building. The Salah Foundation has also donated an additional \$600,000 to modernize the Radiation Center and the entrance of the Lobby. Mr. Nask said that the entire Cancer Center area will now be modernized in about 6 to 9 months. This is all being done from \$2.5 million in donated funds. The experience for the patient will be great.

Mr. Nask reported that 199 physicians have not completed their Conflict of Interest forms. He asked that they please send them in and asked the Chiefs to address this at their Medical Council meetings.

CFO REPORT

Mr. Martin provided a brief overview of the February financials:

- **Overall volume** for the month was below budget mainly due to the large drop in the uncompensated volume; whereas, compensated volume was actually at budget or a little ahead of budget. System-wide: Admissions were down 3% or 174 cases; Compensated admissions slightly above budget; Short Stay cases down 14% or a little over 200 cases due to Medicare’s two midnight rule; Surgeries down 5% or 128 cases mainly on the outpatient arena; Outpatient visits were down 11% or 2400 cases mainly to PT, Lab and Radiology Services at BHMC and BHN; ED visits down 4% or 800 visits-Compensated visits were down slightly below 1% or 72 visits. Mr. Martin stated that volume is down significantly but mostly on the Uncompensated arena.
- **Financially:** Net revenue was \$82 million—\$1.3 million favorable to budget; Salary and Benefits were \$100,000 favorable to budget; Supplies over budget by \$500,000 mainly due to spine implants and pacemakers (volume related); Other expenses were \$1.4 million favorable to budget; Net loss from Operations for the month of February \$7.6 million –\$2.3 million favorable to budget.
- **YTD for the first 8 months:** Net loss from Operations stood at \$93 million which is \$2.5 million favorable to budget; Investment Income solid \$54 million—\$46 million favorable to budget; Excess revenue over expenses were at \$48 million or \$46 million favorable than budget.
- Mr. Martin stated that BH continues to have a strong balance sheet—\$643 million of cash and investments on hand representing 221 days of cash; Days in AR are 59.5 days up about 3 days from year end—Cash collections for the months of January and February were lower than expected.

GENERAL COUNSEL REPORT

Mr. Goren said he wanted to clarify for the record what a speaker earlier had made reference to relating to the conversion or sale of the hospital assets. For clarification: In April 2012, the legislature adopted a revision to an existing state statute in Chapter 155 that dealt with the issue of the sale or lease of public hospitals, it is a state law not a local law. That bill was signed by the Governor. NBHD conducted a public hearing at the Weston Hotel in December 2012 as required by that law with regard to public input and guidance with any and all matters connected to any potential sale or lease of the NBHD or modifying its current structure. It also required the NBHD to engage an outside auditing firm to essentially evaluate the

NBHD and its various assets which was also produced at the Public Hearing. At that meeting, a motion was made at the time to stay public.

Mr. Goren informed the Commissioners that he has provided them with a matrix of the controlled organizations of Broward Health. The matrix showed what organizations have related activities with BH including the newly to be formed SFCCN LLC. The second page contained organizations that were formed in years past that have since been dissolved or have been transitioned and who have been divested as required by law. Mr. Goren said that this information was requested by the Legal Affairs Committee.

Commissioner Gustafson asked that the Matrix of the controlled entities of BH be placed on the Legal Affairs Committee agenda for further review and discussion.

Arent Fox statements: Mr. Goren commented that each of the Commissioners should have received two documents: One relates to the Arent Fox Payment's Cash receipts for their non-OIG matters beginning May 2011-- totaling \$2,719,645.44; Secondly, billing statements for the OIG matter, which was the subpoena issued in May 2011, beginning on June 13, 2011, total paid to date \$7,563,906.94. Both of those components are in the quarterly statement with regard to General Counsel's quarterly reports.

Mr. Goren stated that at the Legal Affairs committee, the Committee rejected 4 of the 6 orthopedic contracts. The motion was made to reject four contracts (Drs. Carreira, McAuliffe, Burke and Kanell). Mr. Goren then reported that Chair Di Pietro recused himself from voting on Drs. Caldwell and Yoldas' contracts due to ethical challenge. At the time, Vice Chair Gustafson was not present and out of town, Commissioner Rodriguez was on the phone from Tallahassee; thereby, the quorum was lost. Mr. Goren said it is now necessary to close that discussion and make sure that all six of those contracts were formally rejected. Mr. Goren said that the rejection of Drs. Caldwell and Yoldas' contracts could be done either under the GC report or during the approval of the Legal Affairs committee minutes.

Mr. Goren informed Chair Di Pietro that he could vote on the approval of the Legal Affairs Committee's minutes but should recuse himself again on voting for the rejection of Drs. Caldwell and Yoldas contracts.

Chair Di Pietro then referred to the Affairs Committee minutes.

Chair Di Pietro said that he believes that the minutes should be approved subject to some resolution of the orthopedic contracts within the next 60 days. Chair Di Pietro said he did not want this to linger. Mr. Goren advised the committee that the minutes reflect that Mr. Nask stated that he would reopen discussion on all six contract proposals and would have new contracts back to the Board of Commissioners for consideration within 30 to 60 if negotiations prove successful.

Commissioner Gustafson said that the rejection was due to the revisions in the Fair Market Evaluation Policy due to salaries not exceeding the 90 percentile during any current year subject to three parameters. Chair Di Pietro said that the contracts that were rejected did not include the cap line. But due to lack of a quorum, the committee could not vote on the contracts for Drs. Caldwell and Yoldas at that time; however, they have the same issue attached to them

It was moved by Commissioner Nieland, seconded by Commissioner Kohl that the minutes of the Legal Affairs Committee held on March 19, 2014 be approved as presented subject to the Committee being advised as to the status of these contracts within the next 60 days. Motion carried unanimously.

At this point, Chair Di Pietro passed the gavel to Vice Chair Gustafson. Chair Di Pietro recused himself from voting due to an ethical challenge with regard to voting on the rejection of the contracts for Drs. Caldwell and Yoldas.

It was moved by Commissioner Nieland, seconded by Commissioner Rodriguez that the Board of Commissioners reject the proposed contracts for Drs. Caldwell and Yoldas subject to the Committee being advised as to the status of these contracts within the next 60 days. Motion carried. Chair Di Pietro did not vote.

Mr. Goren announced that he was requesting an on the record Shade Session for some time during the month of April (mid to late) to have a privileged and confidential discussion with Counsel, the CEO and Special Counsel regarding a pending case. It is related to a case which he believes to be filed in the Federal District Court in Miami in the title of the United States of America vs. ex rel Broward Health.

It was moved by Commissioner Gustafson, seconded by Commissioner Rodriguez that the Board approve setting a Shade Session subject to calendars and further development information on the litigation which is believed to have been filed in Federal court. Motion carried unanimously.

COMMITTEE REPORTS:

Pension and Investment Committee – February 28, 2014 – Commissioner David Nieland reported that BH has had an outstanding year; discussed the ability to reinvest some additional \$1.5 million from an account held at Wells Fargo Foundation account into Northern Trust.

It was moved by Commissioner Gustafson, seconded by Commissioner Kohl that the Board of Commissioners approve the minutes of the Pension and Investment Committee held on February 28, 2014 as presented. Motion carried unanimously.

Quality Assessment and Oversight Committee – March 6, 2014 – Commissioner Rocky Rodriguez asked Dr. Boutin to speak to the minutes. Dr. Boutin said that all of the quality measures/core measures were reported. We are doing well. In addition, Dr. Boutin stated that a portion of Risk was also discussed.

It was moved by Commissioner Gustafson, seconded by Commissioner Kohl that the Board of Commissioners approve the minutes of the Quality Assessment and Oversight Committee held on March 6, 2014 as presented. Motion carried unanimously.

Governance Committee – March 13, 2014 – Commissioner Rocky Rodriguez stated that everything contained in the minutes has to do with the SFCCN and that has been discussed fully under the CEO report. He asked that the minutes be approved.

It was moved by Commissioner Gustafson, seconded by Commissioner Kohl that the Board of Commissioners approve the minutes of the Governance Committee held on March 13, 2014 as presented. Motion carried unanimously.

Human Resource Committee – March 19, 2014 – Commissioner David Nieland stated that the only item was the evaluation of the Chief Internal Auditor who passed successfully passed her evaluation. He also commented that he asked that she continue to challenge the Commissioners.

It was moved by Commissioner Rodriguez, seconded by Commissioner Gustafson that the Board of Commissioners approve the minutes of the Human Resource Committee held on March 19, 2014 as presented. Motion carried unanimously.

Finance Committee – March 19, 2014 – Commissioner Debbie Kohl commented that all items discussed at the Committee have been placed on the Consent or Discussion agendas for final approval. She asked that the minutes be approved.

It was moved by Commissioner Rodriguez, seconded by Commissioner Gustafson that the Board of Commissioners approve the minutes of the Finance Committee held on March 19, 2014 as presented. Motion carried unanimously.

Legal Affairs Committee – March 19, 2014 – Approved under the General Counsel’s report.

CONSENT AGENDA.

Chair Di Pietro entertained a motion to approve Items 7 through and including 12 as listed on the Consent Agenda.

7. Acceptance of the Interim Financial Statement for the month of February 2014.
8. Approval of payment to Arent Fox for OIG Matters—January Invoices
9. BH/Dissolution of Healthcare Education Plus Inc.
10. Consideration for the approval for the sale of surplus vacant land identified by Palm Beach County Property Appraiser as Parcel ID No. 46-43-45-22-00-005-0040 in the amount of \$10,000.
11. Approval of the Fair Market Valuation Policy

12. Approval of the Chief Internal Auditor's Performance Evaluation

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

THAT THE BOARD OF COMMISSIONERS APPROVE ITEMS 7 THROUGH AND INCLUDING 12 AS LISTED ON THE CONSENT AGENDA.

Motion carried unanimously.

DISCUSSION AGENDA

13. Approval for the President/CEO to execute an Interlocal Cooperation Agreement between the North Broward Hospital District and the South Broward Hospital District for Managed Care Services. **Approved under CEO Report**
14. Approval to authorize the President/CEO to establish a Not-for-Profit Affiliate and to approve the Articles of Organization of the South Florida Community Care Network (SFCCN), LLC. **(Approved under CEO Report)**
15. Approve the Operating Agreement of the South Florida Community Care Network (SFCCN) LLC. **(Approved under CEO Report)**
16. Consideration for the approval for the Board of Commissioners to waive the bidding requirement due to Sole Source and in accordance with Section 24(1)(d) of the Charter; and authorize the President/CEO to purchase the additional robotic surgical instrumentation for the *da Vinci* robotic surgical system from Intuitive Surgical Inc. for Broward Health Coral Springs at an estimated cost of \$112,650 in accordance with Resolution \$14-03-26-01.

Following Mr. Drew Grossman's reading of Resolution No. 14-03-26-01,

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

THAT THE BOARD OF COMMISSIONERS APPROVE THE BOARD OF COMMISSIONERS WAIVING THE BIDDING REQUIREMENT DUE TO SOLE SOURCE AND IN ACCORDANCE WITH SECTION 24(1)(D) OF THE CHARTER; AND AUTHORIZE THE PRESIDENT/CEO TO PURCHASE THE ADDITIONAL ROBOTIC SURGICAL INSTRUMENTATION FOR THE *DA VINCI* ROBOTIC SURGICAL SYSTEM FROM INTUITIVE SURGICAL INC. FOR BROWARD HEALTH

CORAL SPRINGS AT AN ESTIMATED COST OF \$112,650 IN ACCORDANCE WITH RESOLUTION \$14-03-26-01.

Motion carried unanimously.

17. Approval for Steve Felkowitz, CEO, Atico International, as the Director of the Broward Health Foundation.

Mr. Dennis Stefanacci requested approval by the Board of Commissioners for Steve Felkowitz to serve as the Director of the Broward Health Foundation.

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

THAT THE BOARD OF COMMISSIONERS APPROVE STEVE FELKOWITZ, CEO, ATICO INTERNATIONAL, AS THE DIRECTOR OF THE BROWARD HEALTH FOUNDATION.

Motion carried unanimously.

18. Approve a "Reimbursement Resolution", a Resolution #14-03-26-2 to provide Broward Health with the ability to issue tax exempt debt at a later date to be specifically used for the acquisition, construction and renovations of projects at Broward Health Corporate offices, Broward Health Chris Evert Children's Hospital, Broward Health North and Broward Health Coral Springs.

Mr. Nask stated that the purpose is the create an additional cash flow opportunity in the event the District issues tax exempt bonds in the next 18 months for certain designated projects. The Board is under no obligation to proceed with a financing as a result of the approval of this Resolution.

Following the reading of Resolution 14-03-26-2 by Mr. Goren,

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

THAT THE BOARD OF COMMISSIONERS APPROVE A "REIMBURSEMENT RESOLUTION", A RESOLUTION #14-03-26-2 TO PROVIDE BROWARD HEALTH WITH THE ABILITY TO ISSUE TAX EXEMPT DEBT AT A LATER DATE TO BE SPECIFICALLY USED FOR THE ACQUISITION, CONSTRUCTION AND RENOVATIONS OF PROJECTS AT BROWARD HEALTH CORPORATE OFFICES, BROWARD HEALTH CHRISEVERT CHILDREN'S HOSPITAL, BROWARD HEALTH NORTH AND BROWARD HEALTH CORAL SPRINGS.

Motion carried unanimously.

COMMENTS BY COMMISSIONERS

Commissioner Nieland asked that the CDTC Architects report be placed on the April Building Committee meeting agenda.

Commissioner Rodriguez presented Mr. Nask with a Letter Opener that was presented to BH at the Alzheimer's Family Center.

Commissioner Wright addressed the Commissioners' District Code and Code of Conduct.

Commissioner Wright said that he has been a Commissioner for 128 days. He said that he has read the District Code and the Florida Attorney General's Opinion letter dated July 19, 2011. He then read the first paragraph of the AG's report relating to "Role and Purpose of Commissioner". In reading the AG's opinion, under this section, he said that in one way do any of the commissioners want to manage; however, in doing oversight sometimes the path to get there require creative ways in getting there. He said that in the AG's letter it clearing states that any individual member of the Board of Commissioners may directly ask questions and request information from district employees and agents, however, supervised directly or indirectly by the President/CEO of the District. It also stated that there are no specific guidelines or rules within the Code on how that can be conducted and if it is conducted in an informal conversation from a Commissioner to someone on lower staff-- so be it. There is no boundary that is crossed; there is no rule that is broken. Commissioner Wright also said that he was told that there is a protocol that should be followed. Commissioner Wright said that he could not find the word protocol in any of those two documents.

Commissioner Wright feels that sometimes we get conditioned or confused with what may have been done in the past. He said that he was aware that there have been previous Commissioners that have been on this Board that did not conduct themselves the way they were supposed to but that is the past and we need to get beyond that. He stated that all the Commissioners took an Oath and within that Oath it is within their best interest not to do any management or not to cause any mismanagement or malfeasance--that is not the intent. As far as a reason for discomfort within the Code or the regulation, he has not seen any reasoning for discomfort provided Commissioners are conducting themselves by the letter of the law. If there is any discomfort with other staff talking to Commissioners, he would recommend that maybe something needs to be looked at in that management climate or at a mimuim explain what a Commissioner does and what guides them.

Commissioner Wright said it is very important to him coming from his military background that lines of communication are kept opened and he feels that the best way to do that is to talk in and amongst the staff. The CEOs and other senior staff do a wonderful job and this is a professional organization and if it wasn't he would resign immediately because he would not want to be associated with it. At the same time, sometimes all of the answers do not reside with the professional staff and sometimes in order to get all the information to make decisions it might need to become a little uncomfortable by going to others on staff.

Commissioner Wright said that when he was in Iraq during a briefing of a senior officer, the senior officer said "Darryl don't confuse me with the facts, I have to make a decision". At the time it wasn't funny because you need to understand the facts and the parameters that they operate in to made a decision and sometimes it might involve having to speak with other members of staff. Commissioner Wright asked if there were any questions from the audience regarding his remarks.

Chair Di Pietro said that information is power and he agreed with his comments.

Commissioner Rodriguez agreed with Commissioner Wright's comments. He believes that they are here to be policy makers and they have people that are hired to do the job and hold them accountable. Commissioner Rodriguez said he did not want to manage the operations but from time to time, it might be necessary to talk to staff. He said BH has a great team and his hat goes off to everyone

NEXT REGULAR BOARD MEETING

The next regularly scheduled Board of Commissioners' meeting will be held Wednesday, April 30, 2014 at 4:00 p.m. in the auditoriums at Broward Health Imperial Point, 6401 North Federal Highway, Fort Lauderdale, Florida.

The public meeting adjourned at 6:10 p.m.

Respectfully submitted,
Debbie L. Kohl, Secretary/Treasurer

BY: Maryanne Wing

A FULL RECORDING OF THIS MEETING IS AVAILABLE ON TAPE