

**. NORTH BROWARD HOSPITAL DISTRICT
BOARD OF COMMISSIONERS'
REGULAR MEETING
Broward Health Imperial Point
Private Dining Room
December 16, 2015 – 10:30 a.m.**

MINUTES

The Regular meeting of the Board of Commissioners of the North Broward Hospital District was held at 10:44 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 10:40 a.m.

ROLL CALL

Commissioners:

Present: Commissioner David Di Pietro – Chair
 Commissioner Rocky Rodriguez – Vice Chair
 Commissioner Maureen Canada- Secretary/Treasurer
 Commissioner Joel Gustafson - Board Member
 Commissioner Darryl Wright – Board Member
 Commissioner Sheela VanHoose– Board Member
 Commissioner Christopher Ure – Board member

The invocation was given by Chaplain Nathaniel Knowles, Broward Sheriff's Office and followed by the Pledge of Allegiance led by Commissioner Sheela VanHoose.

COMMENTS FROM AUDIENCE: There was no one from the audience who wished to address the Board.

APPROVAL OF MINUTES

1. Request approval of the Minutes of the Regular Meeting of the Board of Commissioners held on November 18, 2015.

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

THAT THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS HELD ON NOVEMBER 18, 2015 BE APPROVED AS PRESENTED.

Motion carried unanimously.

2. Request approval of the Minutes of the Chiefs of Staffs / Board of Commissioners meeting held on November 18, 2015.

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

THAT THE MINUTES OF THE CHIEFS OF STAFFS / BOARD OF COMMISSIONERS MEETING HELD ON NOVEMBER 18, 2015 BE APPROVED AS PRESENTED.

Motion carried unanimously.

ITEM 12

At this time, Dr. El Sanadi asked that Item 12 be pulled from the agenda. Dr. El Sanadi informed the Chair that they will present the item in January if the opportunity presents itself.

Commissioner Ure said that before the Board votes on the Medical Staffs' reports he wanted to make sure that everyone being presented today for approval has signed the Code of Conduct and complied with the CIA requirements. If not, he asked that the Chiefs' acknowledge those who have not signed.

Dr. El Sanadi informed the Board that he has spoken with the Chiefs of Staffs, the Medical Staff Supervisors and Hospital CEOs and they have assured him that everyone being presented has complied with the CIA requirements. If the Chief of Staff has any deletions or additions they would report it prior to asking for approval.

Chair Di Pietro questioned if when a physician initially applies can those documents just be included in the process as well as when they reapply every two years. Dr. El Sanadi replied that it happens automatically.

Chair Di Pietro asked Ms. Barrett if that was part of the process and if Commissioner Ure's concerns were addressed. She replied yes.

Request for Walk-on Item—Marketing Committee

Chair Di Pietro commented that there was an item that was requested pertaining to the formalization of a Marketing Committee. He explained that there was an ad hoc Marketing Committee that was not formalized and he would like to discuss potentially formalizing that committee today. He asked for a motion to walk this item on and place it at the end of today's agenda.

It was moved by Commissioner Canada, seconded by Commissioner Wright that the discussion to formalize the Marketing Committee be placed at the end of the Discussion Agenda. Motion carried unanimously.

MEDICAL COUNCIL AGENDA

3. **BROWARD HEALTH IMPERIAL POINT**

Dr. Lewkowitz provided the following update:

- Dec 11- BHIP Medical Staff Holiday Party – collected 100 toys for the Children’s Diagnostic Treatment Center. He thanked Commissioners’ Rodriguez and Ure for attending.
- Dec 7 & 9 Dr. Ferenc- Marketing & Geriatric Outreach at the Five Star Premiere in Pompano and at Willow Wood.
- Dec 10 Man Van Screenings at Broward Humane Society Man Van will be at the Broward Humane Society conducting health screenings for employees.
- Dec 15 BHIP Dr. Hima Ghanta High Tea & Trivia on colon cancer and general surgery.
- BHIP Employee Engagement Scores- impressive participation and scored in the **99%**

Dr. Lewkowitz advised the Board that all of the medical staff physicians being presented today for approval have completed the required CIA documents (Signed the Code of Conduct and reviewed all Policies) when this exhibit was submitted. However, Dr. John Crescitelli was out on medical leave at the time but has since returned and has signed his Code of Conduct and reviewed the policies and procedures. Dr. Lewkowitz asked that Dr. Crescitelli be added to the Medical Staff Recommendations for reappointment.

Chair Di Pietro stated that they would vote on the original Medical Staff request and then vote on the reappointment for Dr. Crescitelli.

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 -- ITEMS 3 (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.

Chair Di Pietro asked for a motion to approve the reappointment of Dr. John Crescitelli.

A motion to approve the reappointment of Dr. John Crescitelli was made by Commissioner Canada, seconded by Commissioner Gustafson. Motion carried unanimously.

4. **BROWARD HEALTH CORAL SPRINGS**

He then provided the following update;

- BHCS had their Clinical and Arterial Blood Gas Laboratory survey by the College of American of Pathology and was very successful with only four deficiencies out of a possible 1500 plus survey deficiency findings.
- There is ac continued involved in the community with the sponsor of the Coral Springs Chamber Kids.
- Dr. Zingaro had a meeting with Ms. Graham and Summer Marrero and improvement their HCAPHPS scores with the physicians and their communication issues. They are going to be working on a pilot to do some observations and rounding with the Hospitalist when they go and see patients because there are very big volume physicians and they want to improve BHCS's physicians' communication and improve the care with the patient.

Dr. Guy Zingaro, 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.

Dr. Zingaro reported that 100% of the physicians at BHCS have signed the required CIA documents except for one who is out of the country.

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

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

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

Motion carried unanimously.

5. **BROWARD HEALTH NORTH**

Dr. Hoffberger provided the following update:

- BHN is pleased to report that in the recent Press Ganey Employee Partnership Survey (EPS) held earlier in the year, the results show that BHN's overall Score is 87.1, the highest in Broward Health.

- Compared to other facilities in the Press Ganey database, BHN is ranked in the 99th percentile. This means that we have a higher level of partnership than 99% of the facilities in their national database.
- The Joint Commission conducted two surveys – last week Friday on their Stroke Rehabilitation Program and on Monday on their Acute Stroke Program to renew their Joint Commission Disease Specific Certifications. BHN received no recommendations for improvement on any of the programs. In the last six (6) surveys, BHN has had no recommendations for improvement. BHN is practicing Best Practices-they are the leaders and doing what is right and it is great that these companies and see their hard work.
- Also, BHN received no penalty from CMS for Hospital Acquired Condition (HAC) for the second year in a row.
- BHN started celebrating the holidays with our annual Christmas Tree Lighting Ceremony on December 2nd and Menorah Lighting Ceremony on December 8th.

Dr. Hoffberger thanked Dr. El Sanadi and Dr. Westphal for being available not only for him but also to the BHN staff all the time. He said that it is making it easier especially when there are so many changes going on and his ability to be able to contact Drs. El Sanadi and Westphal has been tremendous. He said that he has not had that kind of relationship on a higher level in the past with administration and it is going to make a difference. Dr. Hoffberger said that there was some sensitivity with the Code of Conduct and the CIA by some of the physicians regarding the language but Ms. Barrett realized their needs and concerns and made some changes.

Dr. Hoffberger reported that all physicians have signed the Code of Conduct and reviewed the Policies as required by the CIA.

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 Reappointment; Allied Health Additions, Changes and Resignations; Allied Health Reappointments and Community Health Reappointment.

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

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

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

Motion carried unanimously.

6. BROWARD HEALTH MEDICAL CENTER

Dr. Yogel provided the following update:

- Effective January 1, 2016, BHMC will be designated as a Blue Distinction Maternity Center by Blue Cross/Blue Shield of Florida.
- BHMC's Cardiac Rehab Program became nationally certified by the American Association of Cardiovascular and Pulmonary Rehabilitation. The Medical Director of the program is Dr. David Perloff.
- BHMC's Cancer Center went through a certification visit from QOPI (Quality Oncology Practice Initiative) on December 15, 2015. The visit went well, and official results will be available in January, 2016.
- Blood Bank received a two year certification from the American Association of Blood Banks after on-site visit in November. Still awaiting College of American Pathology Lab accreditation visit to occur in December, 2015.
- Installed new interactive Foundation Donor Wall in the Atrium Lobby.
- Gearing up to begin CMS's Comprehensive Joint Replacement bundling initiative on April 1, 2016. Setting up implementation task force meetings with our orthopedic surgeons.

Dr. Yogel also reported that BHMC has had 100% compliance with CIA requirements (signing of Code of Conduct and review of Policies).

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 & Weston Urgent Care Center Reappointment.

It was moved by Commissioner Rodrigues, seconded by Commissioner Ure:

THAT THE BOARD OF COMMISSIONERS APPROVE THE RECOMMENDATIONS OF BROWARD HEALTH MEDICAL CENTER'S MEDICAL COUNCIL-- ITEMS 6 (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 & Weston Urgent Care Center Reappointment

Motion carried unanimously.

Chair Di Pietro asked if the Lithotripsy issue had been resolved and did BHMC have lithotripsy services. Dr. Yogel said not at time; however, they are initiating a contract with a company to bring lithotripsy services in to BHMC. He has been told that due to

the CIA, BH is not able to engage in any partnerships with physicians invested lithotripsy companies; unfortunately, just about everyone in the country is physician invested.

Chair Di Pietro asked if BH was going to get a contract for this service.

Ms. Lynn Barrett advised the Chair that a contract had gone out this week. Dr. Yogel said he has spoken with the company and informed them of the services that will be needed; hopefully, within a week or two they will have a signed agreement.

Dr. El Sanadi stated that they will be starting January 1, 2016. There is an attestation in the contract stating that there are no physicians in Florida that are invested in their company. This is a requirement of the CIA as well as Stark anti-kickback regulations. He stated that BH needs to be mindful not to make any mistakes.

Commissioner Ure asked if this is something that would need to be routinely attested to.

Dr. El Sanadi said that BH is hoping to keep track of how they operate the machines as well as who owns them.

Ms. Barrett advised the Board that included in the contract is a clause whereby they must declare any new owners.

CEO REPORT

Dr. El Sanadi informed the Board that administration has attended many celebratory events over the last month:

- Winterfest Boat Parade; CRC Recognition Luncheon; Menorah Lighting at Lauderdale-by-the-Sea;
- Charlotte Mather Taylor was recognized at the SRO Luncheon by the local law enforcement for her community service.
- Tomorrow (January 28) they will be holding the Interfaith Breakfast.

Dr. EL Sanadi provided a follow-up to the Workshop held on December 9th, 2015 and the actions taken to resolve some of the issues that were addressed at that workshop:

- Deployed several teams from Dr. Peek's department to meet with the individual employed physicians' offices to see how their EMR is working and how they can improve on their interactions as far as software.
- Dr. El Sanadi held a dinner with the Chiefs of Staffs. He thanked the Chiefs for being available and spending time discussing all the opportunities that BH can do to improve interaction with staff. Dr. El Sanadi is planning on proposing Physician Relationships Councils similar to the Community Relationship Councils were they can meet on a regular basis at the individual facilities across the system.

Financial Update:

Dr. El Sanadi reported that they are working very hard on cost containment. They are looking at software that can do real time volume management with regard to inpatient and outpatient services as well as looking at how to interact with the nursing units depending on volume. Dr. El Sanadi

stated that the CEOs for the facilities have been mindful and have been very carefully monitoring the nursing staffing levels.

Update on Employee Survey

On a bright note, Dr. El Sanadi asked Ms. Wong to update the Board on the results of the employment engagement initiatives. Dr. El Sanadi asked Commissioner VanHoose and Ms. Wong to comment on the survey's positive results.

Chair Di Pietro suggested having a Physician survey so they can gauge what some of the issues are rather than airing them out in workshops.

At this time, Commissioner VanHoose commented that it was an honor to chair the HR Committee this year and work with Ms. Wong who is a delight to work with.

Commissioner VanHoose reported that the employment engagement survey results were remarkable. As a system, BH is in the 98th percentile for employee engagement in the nation. This shows that when employees are engaged they feel that their voice is being heard. This was a recurring theme throughout the survey. In addition, they feel that they can go to management at any time with questions, comments and with advice. The other interesting fact is that BH's participation year-over-year has improved. The representatives from Press Ganey were very surprised. They stated that normally it is unheard of to see improvements in four year increments mainly because an organization stops focusing on employment engagement whereas BH surpassed the national norms and again continued on focusing on employment engagement.

Commissioner VanHoose complimented the leadership and Ms. Wong for getting such great results. Broward Health had high remarks not only as a system but also with each individual facility.

Ms. Wong commented that the survey showed that the organization takes seriously its employees engagement. This engagement is inherently linked to BH's ability to achieve its vision, mission and operations in an environment that is highly competitive in terms of healthcare. The south Florida market is extremely competitive due to the share volume of facilities such as hospitals, urgent care centers and physician practices which certainly increases the competition. These results show that an organization that is committed to following through with its employees will succeed.

Ms. Wong went on to provide some historical background as to when BH began this process back in 2007. At that time, BH was at the 23rd percentile but now BH has reached the 98th percentile which speaks volumes. BH's employees are very vocal and they will tell management what they think and it is important for management to listen. In looking at the numbers, BH can see that management has been responding. This is a continuum that requires everyone in leadership to be engaged. Ms. Wong informed that Commissioners that many processes have been put in place and many adjustments have been made to ensure that BH stays apprised of what is top of mind for BH's employees. Ms. Wong said that she has been cautioned that staying at that number is very difficult. Ms. Wong feels that since BH has attained that number, BH should be able to sustain it with diligence and commitment. Ms. Wong advised the Commissioners that this is only one of many initiatives that this organization pulls together to ensure that BH is taking care to its greatest asset, its employees' workforce. There is no healthcare delivery system without its employees being committed to making this community healthy.

Ms. Wong recognized the CEOs, HRD teams and Dr. El Sanadi who asked Ms. Wong at their very first meeting what he could do to ensure that he was being supportive.

Commissioner Canada asked how the “I Am a Care Warrior” initiative has affected BH’s staff. Ms. Wong said she believed it created a halo effect. Those types of campaigns are about the relationship that a company has established and nurtured. She said it bolstered many of the programs that were already in place.

Dr. El Sanadi congratulated Ms. Wong and her team and the CEOs for making this possible.

Proposed Schedule of meetings

Dr. El Sanadi distributed a proposed schedule for committee meetings. He suggested holding all meetings if possible on the 3rd Wednesday of each month and on the 4th Wednesday the Board meeting would be held. This of course would be up to the Commissioners as to when they would want to hold these meetings.

Chair Di Pietro said consolidating these meetings is a great idea.

Dr. El Sanadi said it would be up to the Committee Chairs as to when they would want to hold their meetings but this recommended draft is being suggested in an effort to consolidate the meetings.

CFO REPORT

Mr. Robert Martin, Sr/VP/CFO informed the Commissioners that at this time he would be providing a brief update but in January he will provide a full detailed report. Mr. Martin informed the Commissioners that November was not a good month.

- Overall BH experienced a bad month from a volume standpoint as well as financially. System-wide admissions were down 6% or 328 cases; compensated admissions were down 10% or 418 cases and uncompensated cases up by 90 cases. BH is continuing to see the shift of getting more and more uninsured compared to last year. Short stay cases were up 1%; Births up 1%; Surgeries down 6% or 137 cases; Outpatient volume down 6%--over 12 visits—main driver was BHMC down 750 visits. Compensated visits were down 5% or 900 visits and uncompensated visits were up 700 visits. Community Health Care visits down 15% or 1400 visits; Physician Practice visits down 19% or 5,000 visits.
- Financially for November Net Operating Revenue was \$78.6 million--\$8.3 million unfavorable to budget. Operating expenses were \$97 million -\$3.5 million favorable to budget; Salaries were favorable by \$2.1 million. Productivity has dropped by 5% for the month and administration is looking at some real time productivity systems. Based on productivity and the level of volume being down BH overstaffed by 338 FTEs in the month of November. Most of this has happened at BHMC and BHCS. BHCS missed their productivity number by 17%. In addition with the volume down, overtime was up 23% over budget and agency use was up 103% over budget. Mr. Martin stated that BH needs to control expenses.

Chair Di Pietro said he believes that volume is the bigger issue. Mr. Martin agreed but if the volume is not there, BH needs to staff down to productivity. The main driver is how does BH get increased volume and how does it keep volume from leaving the system.

Commissioner Ure asked if there was a better tracking tool to monitor staffing. Mr. Martin informed the Commissioners that administration is having a presentation from a vendor that will provide real time information but people need to be held accountable.

Commissioner Ure said that he agrees that people need to be held accountable; however, they need to have the proper tools to track the information.

Mr. Martin stated that the answer to this problem is getting more volume and more paying volume into the system.

Commissioner Gustafson asked how the other area hospitals were doing. Mr. Martin indicated that BH is down in volume; Holy Cross is down; Memorial is up slightly and the rest of the hospitals are up 5% year over year. Mr. Martin said volume is going somewhere and BH needs to find out where and resolve this issue.

Dr. El Sanadi said that staffing is a huge issue as far as expenditures which is cost containment. As far as revenue growth, BH is trying to showcase the work product that BH does for the community in providing excellent care and by letting the community know that BH is a safe system that is very reasonably priced. With regard to the software tools, BH will be purchasing those software tools which will allow for daily inventory controls. He also informed the Commissioners that on a weekly basis leadership from all facilities meet to drive down and contain costs as well as looking at revenue opportunities.

Commissioner VanHoose suggested looking at BH's HCAPHS scores to find out how patients feel about the care they receive. If patients feel that the quality of the healthcare is not good, then BH has another problem. She said it would be interesting to see if BH's HCAPHS scores have lowered and if that has impacted where patients are choosing to go especially when looking at all of the other hospitals moving into the North Broward district. She noted that in the BHCS area there is a lot of competition so what is going to encourage patients to choose BHCS as their hospital rather than the other hospitals in that area if BH's quality is lacking.

Commissioner Gustafson feels that it is important to have a workshop to discuss this matter.

Commissioner VanHoose and Chair Di Pietro agreed. BH has a job to do and that is to provide the best quality healthcare and have patient satisfaction at the end of the day.

Chair Di Pietro said the nurses are doing a great job but he worries if non-employed physicians are disgruntled for whatever reason and are sending their patients elsewhere.

Dr. El Sanadi agreed that patient satisfaction is the key. There is a lot of information out in the community regarding the CIA and BH needs to do a better job in communicating that information. Dr. El Sanadi suggested scheduling a workshop to discuss these issues. He also recommended having a physician survey.

Chair Di Pietro feels that BH needs to engage physicians in its community.

Commissioner Ure commented that the other issue is getting the information out to the managed care companies and informing them BH's quality is high, outcomes are better and BH's cost containment is better than what other providers are doing in the community.

Dr. El Sanadi informed the Commissioners that they have met with the leaders of Aetna, United, Humana and Coventry and they like the quality that is being provided by BH as well as the cost structure. He also stated that BH has a workforce that goes out and visits the physicians to promote the quality that is provided by BH. That workforce will re-engage the physicians while going through the passage of the CIA.

Chair Di Pietro also feels that the contracting process needs to be streamlined. Dr. El Sanadi stated that Ms. Barrett has a team of 5 to 7 attorneys who are currently employed. With regard to the clinics, consults, and employment contracts they are almost up to date and currently working on the December 31st expirations.

Chair Di Pietro suggested having a Strategic Shade Session to discuss some of the 2016-2017 issues and how BH is planning to overcome those issues.

Mr. Martin commented that physicians' control where patients go for their healthcare.

Commissioner VanHoose stated that if a patient is persistent and they want to go to BH because they know that is where the best quality healthcare is going to be, then a patient can tell a physician where they want to go.

BHMC Chief of Staff, Dr. Louis Yogel informed Commissioners that physicians send their patients to where the physician is the most comfortable and until the mindset at BH changes and begins treating physicians as their customers and partners, BH will continue to have a problem.

Commissioner Ure questioned Dr. Yogel as to how much of what he said was objective vs. subjective. Commissioner Ure wanted to clarify if the dissatisfaction with physicians was because of the way they were being dealt with as a physician vs. the quality of the system. That is what he meant by objective vs. subjective and wanted to know if there is a reason that this trend is happening that is not subjective. Dr. Yogel said it was both. He then provided examples.

Chair Di Pietro asked that a Shade Session be held by January 15th, 2016.

Commissioner Canada asked if this matter could be combined with the Shade Session previously requested.

Ms. Barrett, General Counsel, requested a motion to take the action to combine these issues into one Shade Session. It was moved by Commissioner Canada, seconded by Commissioner Rodriguez. Motion carried unanimously.

Chair Di Pietro recommended that the Chiefs of Staffs be invited to the Shade Session.

BHCS Chief of Staff, Dr. Zingaro commented that the culture needs to improve; nurse ratios need to improve and there needs to be service lines for physicians to refer into the facility so physicians know that their patients can be taken care of appropriately.

Commissioner Rodriguez said he was once told that cultures are not easily changed; however, this Board is committed to changing the culture. It will difficult but as a team it can be done.

CHIEF INTERNAL AUDITOR REPORT

Ms. Vinnette Hall reported that on December 7th the Audit Committee was held. They discussed several contract reviews and identified some areas for improvement in standard processes and policies across the district in terms of monitoring contracts and deliverables as well as performance on the contracts. They also looked at areas where they might need additional resources in terms of software tools to provide greater information and data that can drive decision-making in a more efficient manner.

In addition, for the next two weeks, Internal Audit will be working closely with Legal and Compliance in terms of meeting certain obligations under the CIA that are due on December 29th... They will also be working on identifying arrangements and tracking of payments to individual contracts and what procedures will be needed to ensure that BH meets those requirements.

BH has a new Chief Ethics Officer, Mr. Carlos Perez-Irizarry. Audit has been working with Mr. Perez-Irizarry and Legal in terms of transitioning new procedures that will be in place for managing the Conflict of Interest process and looking at what policy changes may be needed in that arena in order to ensure that BH is 100% compliant under the CIA.

GENERAL COUNSEL REPORT

Ms. Lynn Barrett reported that BH had their first 90 day tag date for the CIA and successfully completed all of the requirements including the compliance training plans that were approved by the OIG very quickly. BH now has 60 days to implement the training plan. The policy and procedures met every deadline that was required. BH now has the 120 day deadline coming up on the 29th of December which will speak to the contracting process. Certain things will need to be put in place that legal has been working on for a while to meet the 120 day deadline.

With respect to contracts: Ms. Barrett reported that they have managed to analyze the clinic issue in speaking with the facilities. They have addressed the clinic issue at BHMC and believe that Neurology, Nephology, Urology and Orthopedics have been resolved with some signed contracts. They have also prepared 69 agreements since last month which does not include the employment agreements or the Lithotripsy agreement. They are working very closely with the facilities and Chiefs who have all offered their assistance. Ms. Barrett has been speaking with Drs. Yogel and Hoffberger on issues that will help guide legal on some potential landmines that they would like to avoid.

Ms. Barrett informed the Commissioners that she has hired an additional attorney who will be starting on January 2nd, 2016. He is from Miami Children's and has a significant compliance background. They are hoping that he will help facilitate not only the day-to-day collaborations with compliance but also help on the CIA.

With regard to the Audit Committee, Ms. Barrett referred to the contract issue for the external members. She reported that on Sunday she made final changes to the contract for the external audit committee members---one member has signed the other has not.

COMMITTEE REPORTS:

Quality Assessment & Oversight Committee (QAOC)

Commissioner Rodriguez said that he has not seen the list of the new members for the Quality Committee. Ms. Wing will provide that list to Commissioner Rodriguez. Commissioner Rodriguez also stated that since many physicians attend this meeting he would like to continue holding the quality meetings at 8 a.m.

Commissioner Rocky Rodriguez reported that the Committee met on November 5, 2015.

At this time, Dr. Westphal reported that they are restructuring their entire Patient Safety and Satisfaction Committee to Patient Satisfaction Quality Improvement (PSQI) committee. The data that they will be looking will be extremely detailed. They have pared the PSQI down to a working group and then they will take the important data that needs to be presented to the QAOC. He said that he wants to make sure that the Chiefs of Staffs will be attending as well as the new regional medical officers who will be taking an active role in working with them on a lot of these initiatives.

Dr. Westphal said it is very important when looking at data to make sure that they will be comparing things that are important. For example, when looking at the CMS Core Measures they need to make sure that BH is looking at that from a Medicare standpoint. BH can look at other payers but it needs to focus in on Medicare. However, there is a lot of data that needs to be nationally derived and reported to NHSN which is an infection control reporting databank.

Dr. Westphal feels that with this restructuring they will have a better idea when they have the Quality Workshop because it will show some of the highlights they have been working on the last several months. This will be a good opportunity to go through all of this in detail. He commented that currently they are in a transition period in changing over not only the metrics but also looking at the benchmarks. This will show how BH is doing, what they are doing, where the 90th percentile is; and then to look at national data comparative data as well.

Commissioner Rodriguez said that QAOC will be held quarterly and will be held at 8:00 a.m.

Chair Di Pietro asked if there were any additions/corrections,

Commissioner Rodriguez said that there was one correction. The meeting started at 8:00 a.m.

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

THAT THE BOARD OF COMMISSIONERS APPROVES THE MINUTES OF THE QUALITY ASSESSMENT AND OVERSIGHT COMMITTEE HELD ON NOVEMBER 5, 2015 SUBJECT TO THE CORRECTION.

Motion carried unanimously.

Board Compliance Meeting

Commissioner David Di Pietro reported that they discussed the upcoming obligations related to the CIA as summarized by Ms. Barrett; addressed the OIG 2016 fiscal work plan and analyzed

upcoming potential issues as seen through the eyes of the federal government; discussed the new Ethics Officer as well as the new Ethics Hotline.

Chair Di Pietro said that there were no additions/corrections and asked for approval.

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

THAT THE BOARD OF COMMISSIONERS APPROVES THE MINUTES OF THE BOARD COMPLIANCE COMMITTEE MEETING HELD ON NOVEMBER 19, 2015

Motion carried unanimously.

Audit Committee

Commissioner Wright stated for the record that Ms. Hall and Ms. Barrett summarized the actions taken at the Audit Committee. Commissioner Wright said there were no additions or corrections and requested approval

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

THAT THE BOARD OF COMMISSIONERS APPROVES THE MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON DECEMBER 7, 2015.

Motion carried unanimously.

DISCUSSION AGENDA

7. Approval of the Bid Results for 6th floor bathroom renovation at BHIP to Shiff Construction and Development Inc., the lowest responsible bidder with a reduced contractor's scope of work in the amount of \$265,000.

Mr. Polemeni submitted the bid results for the RFQ for the BHIP 6th floor bathroom renovation project. Shiff Construction Developer is the lowest responsible bidder. The funding source is 16IP1800 for \$265,000. They will reduce the contractor's scope not to exceed the approved budgeted amount in the amount of \$265,000 which is budgeted.

Following his presentation, Mr. Polemeni requested approval.

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

THAT THE BOARD OF COMMISSIONERS APPROVES THE BID RESULTS FOR 6TH FLOOR BATHROOM RENOVATION AT BHIP TO SHIFF CONSTRUCTION AND DEVELOPMENT INC., THE LOWEST RESPONSIBLE BIDDER WITH A REDUCED CONTRACTOR'S SCOPE OF WORK IN THE AMOUNT OF \$265,000.

Motion carried unanimously.

8. Approval of the Bid Results for the 3rd Floor Refurbishment Project at BHIP to Edge Construction, Inc., the lowest responsible bidder in the amount \$717,015.

Mr. Polemeni submitted bid results for the RFQ for the BHP 3rd Floor Refurbishment project. He reported that D. Batista and Associates was the lowest bidder at \$655,717.00; however, the bid was rejected for the following reasons: there were no subcontractors listed, no healthcare experience and no general conditions or supervisions indicated in the bid. In other words, they were non-responsive or not qualified.

Mr. Polemeni reported that Edge Construction was the next lowest responsible bidder at \$717,015. The funding source is 15IP1701 which currently has \$387,015 remaining and the balance of \$330,000 will be substituted from Project 16IP1807 in order to fund the project. The total refurbishment project including design fees, furniture, construction costs and fixtures which is a significant portion of the program will cost \$1.4 million.

Mr. Polemeni requested that the Board authorize notice of award and construction to Edge Construction Inc. the lowest responsible bidder.

Commissioner Wright questioned how Batista and Associates were able to provide a bid. Mr. Polemeni said that when they go out to the marketplace, BH tries to do their best to identify the necessary requirements which are included in the RFP. The healthcare experience is an important piece and a lot of times the bidders are desperate to get the work and do whatever it takes. However, the duty falls on BH to determine their qualifications as to whether or not they are responsive in the bid.

Commissioner Ure asked with two projects going on how does BH encourage a company to bid on both projects making it possibly more efficient. Mr. Polemeni said that they try to encourage it but sometimes due to the nature of the project it cannot always be done.

Commissioner VanHoose asked what line item 16IP1807 was designated for originally. Mr. Polemeni said it was the Wound Care project. With regard to the bundling project, is there a project manager in-house or do companies manage their own. Mr. Polemeni stated that Steve Fredrickson, BHIP's Facilities Director oversees the projects along with a project coordinator.

It was moved by Commissioner Wright, seconded by Commissioner Rodriguez

THAT THE BOARD OF COMMISSIONERS APPROVE THE BID RESULTS FOR THE 3RD FLOOR REFURBISHMENT PROJECT AT BHIP TO EDGE CONSTRUCTION, INC., THE LOWEST RESPONSIBLE BIDDER IN THE AMOUNT \$717,015.

Motion carried unanimously.

9. Authorization for the President/CEO to enter into a value-based contract with Zimmerman, an Omnicom Group company for the production and external placement of multi- advertisements and external-based brand awareness promotions at an annual cost not to exceed \$10,000,000 for a period of three calendar years (with annual renewals up to six years) beginning January, 1, 2016 subject to General Counsel's review and approval as to legal form and conditioned on no material changes in the approved business terms.

- 9a. Zimmerman External Advertising Plan (handout)

9b. Return on Investment—Zimmerman Strategic Planning Presentation
Slide 69 from PowerPoint.

Dr. Doris Peek informed the Commissioners that under Tab 9 is a request to enter into a three year (renewable for a total of 6 years per policy), value-based contract with Zimmerman Advertising, an Omnicom Group company, for the production and placement of external advertisements and promotion of external branding activities at an not to exceed annual amount of \$10 million for production and placement costs plus an annual agency retainer fee of \$1.9 million which will be placed at risk based on quarterly metrics (pre-agreed upon by both parties) and adjusted based on volume growth results.

The purpose of the value-based contract is to 1) increase revenue cross the continuum of care by increasing admissions and outpatient visits; 2) gain market penetration and share of voice in any ever growing competitive market to grow Broward Health's business and to become the recognized leader in healthcare. According to research conducted by Zimmerman, BH has only 4% of the brand awareness voice in the tri-county market. BH's competition has 96% more external exposure to potential patients in the BH community and surrounding service area.

During the September Board meeting, and in an effort to gain more exposure and share of voice within the tri-county area, the Board of Commissioners asked BH management to consider increasing the operating budget for the MARCOM department by reallocating monies from other non-clinical activities or by delaying other projects to another budget year.

Then, during a special session in November (following presentations from Zimmerman Advertising), members of the Board requested BH management to consider a value-based arrangement with Zimmerman that was aimed at increasing the share of voice and brand awareness with the BH community while ensuring a significant positive return on investment through an increased inpatient and outpatient volume growth metric as presented by Zimmerman.

Dr. Peek stated that BH leadership and Zimmerman agreed to develop a value-based, three year contract (with an annual renewal for up to 3 additional years) based on a presentation by Zimmerman showing an ROI of 290% or an expected contribution margin of approximately \$58 million by the end of year three for a \$30 million spend.

The ROI and contribution margins presented to the Board by Zimmerman were based on five key assumptions/variables: licensed beds of 1750; increase in occupancy rate from 52% annual average to the national occupancy average of 74%; average profit margin of \$800 per night of each admission; 10% increase in outpatient volume. In addition to the variables listed above, it should be noted that the Zimmerman ROI calculation did not include the \$1.9 million annual retainer fee expense. Therefore, the assumptions used by Zimmerman will be adjusted to reflect BH current operating KPS and benchmarks during the contract negotiations and the retainer fee must be included in ROI calculation.

Dr. Peek explained that the value-based contract will be based on an increase in admissions and outpatient visits which will allow BH to adjust the expense of external advertising based on the associated contribution margin attributed to the advertising production and placement spend. By holding the agency retainer fee in escrow until

quarterly volume increases are measured, an adjustment to cash-flow and expenditures is possible. In other words, should quarterly volume result in less than expected volumes, the agency retainer amount will be adjusted downward accordingly. Should the volume metrics meet expected target, the quarterly retainer will be paid in-full. Should volume metrics exceed established target, the opportunity to adjust production/placement spend will be presented to the Marketing Committee of the Board for consideration and decision.

Dr. Peek then went on to explain the financial / budgetary impact:

- Annual increase of up to \$10 million in the MARCOM department operating expense category called FEES OTHER. This \$10 million is in addition to the previously agreed to annual retainer fee of \$1.9 million. The current FY16 does not include this additional operating expense.
- FY un-budgeted spend will be \$5 million beginning December 17, 2015 (following approval) with \$1.5 million through December 31, 2015 and the remainder of \$3.5 million will support the new advertising plan for January through June 2016. A copy of the Zimmerman marketing plan was included in with the exhibit (tab 9a). This plan has not yet been approved by the Board's Marketing Committee.
- Future fiscal year annual budgets for MARCOM FY17 will include the requested amount of \$10 million plus the agency annual retainer fee of \$1.9 million. The future annual spend will begin July 2016 and will be scheduled based on approved advertising plan. The production costs will be scheduled based on an approved marketing plan and retainer fee will be accrued (in equal monthly installments) with a quarterly "true-up" based on admissions and outpatient volume metrics defined within the new contract to meet the 290% ROI.
- The FY17 advertising plan will be presented to the Marketing Committee during the FY17 budget planning sessions.

Commissioner Gustafson expressed concern with some of the variables used by Zimmerman and feels that the Board should have a discussion about this request since it is a lot of money. He said that he is aware that Zimmerman is trustworthy and has done a lot of good things for others but he feels that at this price tag the Board owes it to its constituents to spend a little more time looking at this contract.

Commissioner Wright said it was not a matter of trusting Zimmerman but Dr. Peek who has done the research. Commissioner Gustafson commented that is not Dr. Peek's specialty.

Dr. Peek said that Marketing is not her specialty and she depends on Zimmerman, the agency of record, to use their expertise how best to spend the money. Dr. Peek reminded the Commissioners that the MARCOM budget has already increased by \$2.3 million. BH has planned that this FY focus be to tell the story of the employee, the patient, and as a result, also include the story of the physician caring for the patient. This new request is 100% for advertising to the public (i.e. patient) and not geared for the physician or insurers.

Dr. El Sanadi informed the Commissioners that BH already has an agreement with Zimmerman which started in May of 2015. They have done a great job and are experts

on consumers. With regard to what is being presented today is an additional addendum to the contract (not a new contract) which he hopes will begin January 1, 2016. He feels that if BH does not spend advertising dollars now it would definitely hurt BH in the long run. BH needs to showcase its services so when a patient visits his doctor, he can say that he wants to go to a BH facility. Dr. El Sanadi recommends approving the \$1.5 million now and approving the \$3.5 million starting in January for a total of \$5 million through June 30, 2016.

Chair Di Pietro asked if administration could invite Zimmerman to the Shade meeting in January to answer some of Commissioner Gustafson's concerns. Dr. El Sanadi said that he would invite Zimmerman to the Shade meeting. He also informed the Commissioners that he has spent a lot of time with Zimmerman and to their point if BH misses the opportunity to advertising during ACO Open Enrollment for Patients, BH could miss out on a great opportunity to purchase advertisement space (TV or Billboard) before the national election. Dr. El Sanadi feels that it is important that the \$5 million be approved.

Commissioner VanHoose asked if the \$5 million was for the following FY year.

Dr. Peek stated that she was asking the Board for approval to enter into an addendum to a value-based 5M contract that is for now (immediately) and a 10M dollar contract for future years. In other words, the dollar value for this remaining six months of this budget year would be an unbudgeted \$5 million in addition to what is current in the MARCOM budget. Beginning in July, BH would budget the full \$10 million plus the \$1.9 million (retainer fee) for the next FY.

For clarification proposes, Commissioner VanHoose questioned if today the Board was being asked to vote on an additional \$5 million in addition to committing to \$10 million for FY 16 and 17 without knowing where BH's volumes are going to be?

Dr. El Sanadi commented that in looking at the ROI as far as adjustments to Zimmerman's assumptions, BH will be tracking on a quarterly basis the performance on the MARCOM dollars and advertising dollars. There will be accountability and pushing very hard to make sure that what was presented and promised is actually delivered.

Commissioner VanHoose said that making the commitment for another \$5 million and not seeing if they meet their numbers gives her some concern. She said that she would just like to make the commitment through the remaining of this FY and see when BH makes their spend and where is the ROI. Commissioner VanHoose asked if the statistician came from Zimmerman. Dr. Peek replied that the statistician, research and the numbers being used were all generated by Zimmerman.

Commissioner VanHoose asked if Zimmerman does not meet their goals and benchmarks for FY 16 then the contract ends there. Dr. Peek said that if they do not meet their goals each quarter, the retainer fee would be adjusted.

Dr. El Sanadi said that the spirit of the contract is to be able to adjust on a regular basis as far as the spend and measure the ROI.

Commissioner Canada said with the formation of the Marketing Committee it should bring some comfort level to the Board. There will be three Board members involved in

having more detail conversations with Dr. Peek on what is going on. It is important to fill the beds and get the word out there. Commissioner Canada informed the Board that she toured the Zimmerman facility and she feels very comfortable with the work that they have done so far. In terms of timing, BH must hit the season and the season is starting now and if BH continues to wait, it will be missing out on a great deal of population that will be in Broward County starting now and through May. Commissioner Canada said that she would hate to miss this opportunity.

Commissioner Ure asked how much of the \$5 million is at risk in relation to this value based metric. He said that marketing things are not always easy to track but he happens to really like that they have been very specific with respect to what benchmarks they are going to be measured against. Of the \$5 million or \$25 million, Commissioner Ure questioned how much of that and he did not mean at risk because BH chooses not to spend it, but at risk that Zimmerman earns it.

Dr. Peek explained that between now and July, the \$1.9 million retainer for a year is broken into monthly increments; so each quarter BH would hold the retainer until they met the agreed to volume for inpatient admissions and outpatient volume. If Zimmerman does not meet the agreed-to terms which is represented in Slide 69 of their presentation because (that slide was based on national benchmarks and not BH benchmarks), then administration would come up with BH metrics based on audited financials and if they did not meet those BH benchmarks then the monthly allotment for the retainer would be adjusted.

Commissioner Ure said it appears that BH does not have an agreement as to how that will be adjusted. Dr. Peek confirmed that BH does not have an agreement. This is a request to go into the contract negotiations based on the ROI that Zimmerman provided which was 290%. Commissioner Ure asked if BH has an idea of how much of this money is at risk. Dr. Peek commented that she has never met with Zimmerman so she has not had that kind of contract dialogue.

Commissioner Ure felt that this is an important initiative and should be engaged; however, he questioned how this is going to be measured. He applauds Zimmerman's willingness to have very specific metrics even though they may need to be adjusted to BH's system but he was just trying to gauge what percentage of this total contract they need to earn.

Commissioner VanHoose commented that there is no contract and that is the problem. She repeated that it gives her some concern not because she is against having a marketing campaign but about the projected spending of FY 17 and 18 without knowing if these metrics that they placed in writing will actually come to fruition. She asked if it was possible to direct legal counsel while in negotiations and working on the contract that there will be some language included that if Zimmerman does not hit those metrics that there is a decrease of that \$20 million budget or that the contract can be terminated. Commissioner VanHoose commented that this is something she is not hearing. Setting quarterly goals does not tell her that if these metrics never come to play that BH cannot walk away from this agreement. She felt that this request today was tying them to the next three years. In light of all of the conversations that the Board has had over quality measures and creating physician partners, if the Board can direct in the contract that this

language be included she would be comfortable in voting for the item today. But without that guarantee and level of comfort she would not be willing to vote for the item today.

Chair Di Pietro indicated that there would be some kind of out clause in the contract.

Dr. Peek asked if the request today was to allow her to enter into contract terms and conditions that would represent the BH version of the 290% ROI based on BH variables and not as demonstrated by Zimmerman in their presentation with a 290% ROI using their variables.

Mr. Robert Martin shared his concerns as follows:

- 1) The recommendation to authorize the President/CEO to enter into a contract as long as it is consistent with what was presented during the Shade Session;
- 2) Zimmerman wanting to spend \$1.5 million before they even enter into a contract; and
- 3) Zimmerman's lack of experience at the hospital level. It's not like general advertising. A person needs to go through a doctor and an insurance company before the patient gets to the hospitals. Those are some of the barriers in place.
- 4) Zimmerman based their entire numbers by hitting 74% occupancy level with no reasoning behind it just because that was the national occupancy level for hospitals with greater than 500 beds.
- 5) Inaccuracies in how they calculated their numbers--\$800 profit per patient night BH's numbers are \$400; used 1750 beds to calculate that 74% occupancy-BH operates at 1360 beds.
- 6) Zimmerman presented a 411% return if BH spends \$15 million annually for 3 years plus the \$1.9 million annual retainer fee. If BH dropped it down to \$10 million annual plus the \$1.9 million retainer fee, BH comes up with 290% return or roughly \$117 million for spending \$35 million for a negative ROI.

Mr. Martin said that if BH corrects the one inconsistency in changing the profit from \$800 to \$400; changing 1750 beds to 1360 beds, the ROI goes from 290% down to 7%. After factoring in the \$1.9 million annual retainer fee, the actual ROI for BH is a negative 10% after spending \$35 million.

Commissioner Canada said these are not the numbers. This is something BH and the marketing committee need to work on. All that is being asked today is to give Dr. Peek the opportunity to go and negotiate a contract. Commissioner Canada feels that after hearing everyone's concerns and comments, Dr. Peek understands what is expected. Commissioner Canada also commented that the contract once finalized will need to come back to the Board for final approval as well as having Zimmerman come back to the Shade Session in January to further discuss their presentation.

Commissioner VanHoose said she understands Mr. Martin's concern that is why she asked that legal add to the addendum to the contract the language as previously discussed so there are some safeguards in place. BH does not know if their numbers are accurate in the projection but between the marketing committee and general counsel's ability to negotiate contracts she feels a little more comfort with the item overall.

Commissioner Rodriguez agreed that it is important to purchase media prior to the general election. He likes the fact that the physicians will be profiled as well as the

employees. He also believes that Zimmerman is the master of advertising but also shares Commissioner VanHoose's concerns.

Dr. El Sanadi informed the Board that the actual request is for \$1.5 million through December 31, 2015; and \$3.5 million from January 2016 to June 30, 2016. The recommendation would be to allow Dr. Peek and Ms. Barrett to develop the metrics that will ensure safeguards and include those metrics in the addendum to the contract. Dr. El Sanadi stated that his biggest fear is missing the opportunity to showcase BH's physicians and showcase the services that BH provides to the community. Buying the media now is cheaper than buying it in July.

Dr. Peek restated that the request was for \$5 million unbudgeted for the remaining of this FY. After that it will be \$10 million that will be budgeted assuming that Zimmerman meets their marks and has proven that they can deliver what the terms are in the amended contract for this year which has not been prepared.

Commissioner VanHoose said the staff recommendation needs to change and her motion would be instead of beginning January 1, 2016 cycle would be once the contract is executed. Therefore, the recommendation would read;

Therefore, it is requested that the Board of Commissioners of the North Broward Hospital District authorize the President/CEO to enter into a value-based contract with Zimmerman an Omnicom Group Company for the production and external placement of multi-media-advertisements and external-based brand awareness promotions at an annual cost not to exceed \$10 million for a period of three calendar years (with an annual renewal up to 6 years) once the contract is executed subject to General Counsel's review and approval as to legal form and conditioned on no material changes in the approved business terms.

Dr. El Sanadi stated that BH already has a contract with Zimmerman and BH with budgeted monies being spent. He said that he would hate to miss the opportunity to showcase the services. He recommended that instead of waiting until the contract is amended and executed, he asked that the Board approve the \$1.5 million through December 2015 and the \$3.5 million through June 30, 2016. It is critical and essential for BH not to miss the opportunity to get its services out to the community as the season begins.

Commissioner VanHoose said that she could not vote for this item if BH is spending the dollars before negotiating a contract.

Commissioner Gustafson felt that BH could not approve this item with just some modifications. He felt that it would be important to have a workshop and give Zimmerman the opportunity to address their concerns.

Commissioner Ure commented that when legal and administration come back to the Board with a negotiated contract that everyone is dialed in to what is the risk component. He does not believe that it is the best value based way to just say that if it is not producing results then BH will not spend the money. There is an element that says you will not get the money unless you produce the results.

Commissioner Ure also stated that he agreed with Dr. El Sanadi. There is a timing issue for some small component of this total and perhaps they look at what the small component is relative to the total as a consideration of today's meeting.

Chair Di Pietro said that to address Commissioner VanHoose's concerns there is always an out in a contract whether it is for cause or without cause. The only issue is the allocation for the unbudgeted portion because of the purchasing power at this point.

Following further discussion Dr. Peek asked, for clarification purposes, if the Board is looking to authorize an unbudgeted amount of \$5 million on the existing contract that will carry BH through to June 30, 2016. BH would then amend the current contract with a metric that is based on BH key performance indicators and not on the indicators used in the Zimmerman Slide 69. Also whatever those indicators are, BH and Zimmerman would mutually agree that BH would adjust the spend not just the retainer but the actual production costs based on Zimmerman meeting the previous quarter.

Chair Di Pietro said that made sense to him.

Commissioner Canada suggested modifying the staff recommendation. With the new metrics not even being developed she felt that the Board should approve the additional \$1.5 million which would take BH through December 31, 2015; and then approve the \$3.5 million which will take BH through June, 30, 2016 taking BH to the end of their fiscal year. Other than the Board giving Legal and Dr. Peek the authority to start negotiating a contract for the additional monies no other action would be needed. The Board would meet with Zimmerman at a Strategic Planning session and discuss the new metrics; thereby, BH would not have committed to the \$30 million right now.

Commissioner VanHoose asked Commissioner Canada if the dollars under her proposal would be given to Zimmerman prior to the final negotiations of that contract being complete.

Dr. El Sanadi said that the intent is to give Zimmerman the \$5 million as discussed to purchase the advertising.

Commissioner VanHoose questioned if the \$1.5 million and \$3.5 million is to be expensed today. Dr. Peek stated that BH's policy says that they cannot be paid for work that they have not done. Zimmerman will submit an invoice and because they have an unbudgeted contract then they will be paid for work done not to exceed \$5 million between now and June 2016.

Ms. Barrett asked if the quality metrics are to be in the amendment or not in the amendment before June. Dr. El Sanadi replied in the amendment. Ms. Barrett then noted that the quality metrics must be in the amendment prior to paying Zimmerman the \$3.5 million.

Dr. El Sanadi yes. It will affect what is budgeted for marketing and communications as far as the ask of \$1.5-\$3.5 million aggregated on a quarterly basis. He said that it has to be done as part of the amendment to make sure by March of 2016 the performance is there.

Commissioner Ure asked if the Strategic Planning meeting could be scheduled before the end of this year, the Board now would only have to vote on the \$1.5 million.

Commissioner VanHoose said that she would support the \$1.5 million today but feels it is extremely hard to vote on a contract that they have not even seen yet.

Dr. Peek said it is very important that the Board fully understand that the numbers for increased volume to be included in the contract will not be the same numbers that were presented to them at the Strategic Planning session by Zimmerman.

Commissioner Ure indicated that the sooner they can hold the Strategic Planning session the sooner there will be a comfort level for approving additional funds. In addition, it will allow Dr. Peek time to present an agreement because there is a lot of work that needs to be done between now and then.

Commissioner Canada said her concern is that when they had the Strategic Planning Session there was a consensus to approve \$10 million. She said now they are sitting there a few months later and trying to renegotiate everything. Commissioner Canada said she understands that they do not have the actual future contract in place but she did not believe that this should change the momentum of what they were presented and what they wanted to do. Commissioner Canada then made the following motion:

Commissioner Canada moved that the Board approve the \$1.5 million to be spent between now and the end year (December 2015) for Zimmerman and an additional \$3.5 million to be spent in the very first six months of the 2016 calendar year. In addition the Board will give authority to Dr. Peek and Ms. Barrett to work with Zimmerman in creating a proper metrics for the quality measures that the Board will review and approve at a later date. Commissioner Ure seconded.

Discussion:

Mr. Martin informed the Board that he has a fiduciary responsibility and with that responsibility he must remind the Board that at the Strategic Planning meeting, it was agreed to spend the \$10 million based on a 290% return which is not possible. Given that BH is already \$12.5 million behind budget for the year. Mr. Martin feels that for the Board to spend \$1.5 million or \$5 million without knowing what the expectations are and not to be able to hold Zimmerman to some benchmarks without knowing what BH is paying for, is something that the Board should not be doing.

Chair Di Pietro asked Dr. Peek how long it would take to prepare this contract. Dr. Peek informed the Board that after speaking with Ms. Barrett, the fastest route would be sometime before the end of February.

Chair Di Pietro asked why it would take so long. Dr. Peek said she could not answer that question but there are a lot of moving parts and agreeing on the metrics will take some time.

Dr. El Sanadi said that they can work on the metrics fairly quickly and come back to the Board at a Shade session in early to mid-January. Chair Di Pietro said he would like to review the amendment at the January Legal Review Committee meeting. Dr. Peek said she would work with finance to get the metrics but it will also depend on Zimmerman's

availability and their agreement and willingness to agree to the metrics that do not reflect the numbers presented in Slide 69.

Commissioner Gustafson suggested looking at the budget to make sure that there are no some capital issues that might come up next year before buying very expensive advertising. BH needs to look at those potential issues so they do not find themselves dipping into cash reserves.

Commissioner Rodriguez said he really appreciates Commissioner VanHoose's concerns. He thought this was a \$10 million contract and now it is a \$35 million contract which is a concern for him. He shares the same concerns as Commissioner VanHoose but also understands Dr. El Sanadi's concerns about not have the opportunity to purchase media to showcase BH's physicians and services. However, Commissioner Rodriguez feels it is important to make sure there are safeguards in the agreement.

Commissioner VanHoose indicated that the \$1.5 million will be spent by December 31, 2015 and the other \$3.5 million could be spent sometime in January 2016; therefore, it could be possible to spend the \$3.5 million before the Board sees a contract and before the Strategic Planning session so she is unable to vote on the motion. However, she would be willing on voting on spending the \$1.5 million.

Following further discussion,

Chair Di Pietro called for a roll call vote on the motion:

Roll call vote showed:

Commissioner Di Pietro	yes
Commissioner Canada	yes
Commissioner Wright	yes
Commissioner Rodriguez	yes
Commissioner Gustafson	no
Commissioner VanHoose	no
Commissioner Ure	yes

Motion carried---5 to 2

10. Authorization for the President/CEO to approve the description change of line 16CS1804 to fund the purchase of (5) Siemens Ultrasound Units, through the Group Purchasing Organization (MedAssets), in accordance with Section 24(1)(d) of the North Broward Hospital District Charter, for Broward Health Coral Springs at a cost of \$510,000.

Mr. Drew Grossman, CEO of BHCS presented Item 10. Following his presentation,

It was moved by Commissioner Gustafson, seconded by Commissioner VanHoose,

THAT THE BOARD OF COMMISSIONERS AUTHORIZE THE PRESIDENT/CEO TO APPROVE THE DESCRIPTION CHANGE OF LINE 16CS1804 TO FUND THE PURCHASE OF (5) SIEMENS ULTRASOUND UNITS, THROUGH THE GROUP PURCHASING ORGANIZATION (MEDASSETS), IN

ACCORDANCE WITH SECTION 24(1)(D) OF THE NORTH BROWARD HOSPITAL DISTRICT CHARTER, FOR BROWARD HEALTH CORAL SPRINGS AT A COST OF \$510,000.

Motion carried unanimously.

11. Authorization for the President/CEO to approve the description change of Capital Line Items 16CS1803 and 16CS1813 to fund the purchase of two Nuclear Medicine Cameras/Construction, through the Group Purchasing organization (MedAssets), in accordance with Section 24 (1)(d) of the North Broward Hospital District Charter, for Broward Health Coral Springs, at a cost of \$1,315,000.

Mr. Drew Grossman presented Item 11. Following his presentation,

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

THAT THE BOARD OF COMMISSIONERS AUTHORIZE THE PRESIDENT/CEO TO APPROVE THE DESCRIPTION CHANGE OF CAPITAL LINE ITEMS 16CS1803 AND 16CS1813 TO FUND THE PURCHASE OF TWO NUCLEAR MEDICINE CAMERAS/CONSTRUCTION, THROUGH THE GROUP PURCHASING ORGANIZATION (MEDASSETS), IN ACCORDANCE WITH SECTION 24 (1)(D) OF THE NORTH BROWARD HOSPITAL DISTRICT CHARTER, FOR BROWARD HEALTH CORAL SPRINGS, AT A COST OF \$1,315,000.

Motion carried unanimously.

12. Authorization for the President/CEO to issue a PO to Kerney Associates through the Group Purchasing Organization (MedAssets), in accordance with Section 24(1)(d) of the North Broward Hospital District Charter, and to expend funds required to design and build out a centralized receiving facility, outpatient treatment, 23-bed crisis stabilization unit/ detoxification unit, as well as enabling projects in the West Wing in the amount of \$9,666,360. **THIS ITEM WAS PULLED**
13. Approval to appoint Eduardo A. Otero MD, MBA, Regional VP Florida Region Mednax; and Christopher T. Ure, Sr.VP-West Management UBS and NBHD Commissioner, to the Broward Health Foundation Board of Directors for the remainder of the FY 2015-2016 term.

Dr. Ring, a member of the BH Foundation Board presented Item 13. He requested approval.

It was moved by Commissioner Gustafson, seconded by Commissioner VanHoose,

THAT THE BOARD OF COMMISSIONERS APPROVE THE APPOINTMENT OF EDUARDO A. OTERO MD, MBA, REGIONAL VP FLORIDA REGION MEDNAX; AND CHRISTOPHER T. URE, SR.VP-WEST MANAGEMENT UBS AND NBHD COMMISSIONER, TO THE BROWARD HEALTH FOUNDATION BOARD OF DIRECTORS FOR THE REMAINDER OF THE FY 2015-2016 TERM.

Motion carried unanimously.

14. Ratification of Corporate COO

Dr. El Sanadi informed the Board that Mr. Kevin Fusco was being named as the COO for Broward Health Corporate. He has been a leader in every position he has held. Mr. Fusco started his career 30 years ago at BHMC as a clinician, nuclear tech and moved along the ranks to COO at BH North. He has been the architect for a Comprehensive Stroke Center, Joint Replacement programs, Spine Care Center and Interventional Cath Program. Mr. Fusco has been Interim for the last six months and has done a superb job in leading teams and building consensus in the C-Suite.

Mr. Fusco has had stellar career with BH and Dr. El Sanadi asked for the Board to ratify Mr. Fusco as the Chief Operating Officer of Broward Health.

Commissioner Rodriguez said he has worked with Mr. Fusco and found him to be a gentleman and he recommends the appointment.

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

THAT THE BOARD OF COMMISSIONERS RATIFY THE APPOINTMENT OF KEVIN FUSCO AS THE CORPORATE CHIEF OPERATING OFFICER OF BROWARD HEALTH.

Motion carried unanimously.

15. Approval of the Employment Agreement with Dr. Kenneth Herskowitz

Mr. Calvin Glidewell informed the Commissioners that he is presenting for approval a three (3) year employment agreement with Dr. Kenneth Herskowitz consisting of two parts: a clinical component and Medical Directorship component. Dr. Herskowitz has been a real stalwart of the District's vascular services program across the system. The entire agreement in the aggregate is approximately at the 80th percentile and each of the components is at the 75th percentile. Mr. Glidewell stated that the value based component and metrics have been agreed upon by both parties.

Following his presentation, Mr. Glidewell requested approval.

Chair Di Pietro said he has read through the agreement and for the record stated that a Fair Market Value analysis was done and a commercial reasonableness standard was reviewed and was acceptable as well as the fair market compensation.

Chair Di Pietro asked Ms. Barrett and Dr. El Sanadi if they recommend approving the contract. Both replied yes. Dr. El Sanadi said that Dr. Herskowitz is a super star as far as his performance and recommended approving this contract without any reservations.

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

THAT THE BOARD OF COMMISSIONERS APPROVE THE EMPLOYMENT AGREEMENT BETWEEN THE NORTH BROWARD HOSPITAL DISTRICT AND DR. KENNETH HERSKOWITZ AS PRESENTED.

Motion carried unanimously.

16. Approval of the Employment agreement with Dr. Zachariah P. Zachariah

Ms. Alice Taylor presented Item 16. Ms. Taylor informed the Commissioners that Dr. Zachariah Zachariah is a well-known interventional cardiologist within the BHIP's service area. She informed the Board that a Fair Market Value analysis was completed as well as a commercial reasonableness. His base salary is at the medium. In addition he has a Medical Directorship which is at the 55th percentile. The aggregate of total compensation package including his cap is at 86th percentile.

Following her presentation, Ms. Taylor asked for approval of the contract.

Chair Di Pietro said he has read the contract and there was a Fair Market Value analysis done and a commercial reasonableness standard was reviewed and was acceptable as well as the fair market compensation.

He asked Ms. Barrett and Dr. El Sanadi if they recommend approving the contract. Both replied yes.

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

THAT THE BOARD OF COMMISSIONERS APPROVE THE EMPLOYMENT AGREEMENT BETWEEN THE NORTH BROWARD HOSPITAL DISTRICT AND DR. ZACHARIAH P. ZACHARIAH AS PRESENTED.

Motion carried unanimously.

Commissioner Canada thanked Ms. Taylor and her staff for the wonderful luncheon. She said it looked like a winter wonderland.

WALK ON: Creation of a Marketing Committee

Chair Di Pietro asked for a motion to direct General Counsel to put together a committee through an amendment to the District's bylaws to create a Marketing Committee.

It was moved by Commissioner Rodriguez, seconded by Commissioner Canada to direct General Counsel to put together a committee through an amendment to the District's bylaws to a create a Marketing Committee.

Motion carried unanimously.

Chair Di Pietro asked for a motion to have three Commissioners as members of the Marketing Committee.

It was moved by Commissioner Canada, seconded by Commissioner Rodriguez that the marketing committee consists of three members of the Board of Commissioners. Motion carried unanimously.

Chair Di Pietro appointed the following Commissioners to serve on the Marketing Committee: Commissioner Gustafson, Commissioner Di Pietro and Commissioner Canada (Chair).

COMMENTS BY COMMISSIONER

Commissioner Ure thanked Dr. Herskowitz for staying on Board and said that BH is really excited to have him as a member of BH's medical staff. He said that Dr. Herskowitz is clearly the quality physician that BH wants on the front lines especially with this clear trend of quality vs. quantity. It really demonstrates why people need to be here.

Commissioner Canada said this marks a full year for her as a Board member—and what a year. She said that she has enjoyed herself and learned so much. She has really enjoyed getting to know many of the employees and looks forward to what 2016 can bring for BH.

Commissioner VanHoose reminded Chair Di Pietro that Commissioner David Nieland sat on the CDTC Board so that seat is now vacant. Chair Di Pietro asked Commissioner VanHoose if she would like to sit on the CDTC Board. She accepted.

Commissioner VanHoose said this has been a very transformative year: BH has a new CEO; new General Counsel; and three new Board members and the CIA. BH has had some ups-and-downs but has done a lot of good things. Today, everyone has heard about the employment engagement survey which was very positive; redesigned the management incentive plan which was positive; gave the nurses pay increases so BH is now more competitive than the other regions; and down in the northwest quadrant BH is focusing on children again. She said that there have been a lot of positive changes in the system on this journey to excellence.

Commissioner VanHoose wanted to thank everyone for their patience and dedication for the 1.3 million lives that BH is responsible for. She said that as they talk about Care Warriors over and over again, everyone in the room and outside of the BH system, it really takes a team effort. The end of the year is a good time for reflection so for her thinking about where BH has come from and where it is going in 2016—her focus for 2016 is that BH is always talking about quality. For everything that is brought to the Board her commitment to the system will be to always ask about quality and what is BH doing to drive quality. Every decision she makes is going to be based on quality.

Commissioner VanHoose left everyone with this thought: Water is hot at 211 degrees; Water boils at 212 degrees; that boiling water creates steam; steam powers a locomotive; that one degree takes an organization from good to great. That is her ambition for 2016 and BH is on that journey to excellence and we are going to move it and BH is moving well. She thanked everyone for this year and she wished everyone all the best in the holiday season, Happy Holidays, Merry Christmas and she hopes that everyone spends some time with their family.

For Lynn Barrett and her team, who spent Thanksgiving working on the CIA 90 day deadline, and now it looks like they will be doing the same for Christmas trying to meet the 120 day

deadline, Commissioner VanHoose recommended that they take time to spend with their families and thanked everyone for all that they have done.

Commissioner Gustafson said he has been on the Commission for 10 to 12 years and it gets to be more fun every year. He wished everyone a Happy Holiday.

Commissioner Rodriguez said that he echoes Commissioner VanHoose's comments. He welcomed Commissioner Ure to the Board. He said that BH has done so much with so little for so long that they can just about do anything with nothing. BH has gone through challenges and has dealt with them and his goal is to work as a team and bring this organization to the best healthcare system in country.

Commissioner Rodriguez commented that BH has a lot of talent and he thanked Dr. Herskowitz for staying with us. He has known Dr. Zachariah for over 37 years and believes he will be a real asset to the organization. Everyone needs to remember that even if they get short tempered from time to time, the love and dedication that they have for the patients overcomes everything. He wished everyone a wonderful holiday season--Merry Christmas, Happy Hanukkah and Happy Kwanza and all of the above.

Chair Di Pietro reflected back to when Dr. El Sanadi came on board only a year ago. He said about this time last year, they were flying up to meet with the Department of Justice. The DOJ's penalty for BH was about \$15 to \$20 million higher but Dr. El Sanadi's negotiation skills got it down to below \$70 million. He commented that unfortunately this entire OIG matter has been a distraction. It was a big hurdle and he appreciated everyone's hard work in getting this matter resolved. Chair Di Pietro thanked Ms. Barrett for getting BH in the right place legally.

Chair Di Pietro said that he wants BH to get focused on FIU and GME. BH is the 18th largest metropolitan area in the country and does not do research but it is open to doing it. Let us get back to talking about those good things and hopefully BH can streamline all the contractual aggravations and get back to the business of caring for the patient. He looks forward to having those conversations again for 2016.

Chair Di Pietro welcomed Commissioner Ure and said it feels like he has been on the Board for 3 years instead of just 3 weeks. Commissioner Ure's questions are spot on and the Governor made a great choice in selecting someone with his aptitude and ability to dive in and figure out the issues. He thanked everyone for nominating him Chair again and he hopes he runs a good meeting. Chair Di Pietro wished everyone a Merry Christmas, Happy Hanukkah, Happy Kwanza and Festivus.

NEXT REGULAR BOARD MEETING The next regularly scheduled Board of Commissioners' meeting will be held on January 27, 2016 at 4:00 p.m. in the Corporate Office, 1700 NW 49 Street, Spectrum Complex, Fort Lauderdale, Florida.

Meeting adjourned at 2:35 p.m.

Respectfully submitted,
Maureen Canada, Secretary/Treasurer

BY: Maryanne Wing

A FULL RECORDING OF THIS MEETING IS AVAILABLE ON TAPE