

**NORTH BROWARD HOSPITAL DISTRICT
BOARD OF COMMISSIONERS'
REGULAR MEETING
Broward Health Corporate
Spectrum Complex –
February 24, 2016 – 4:00 p.m.**

MINUTES

The Regular meeting of the Board of Commissioners of the North Broward Hospital District was held at 4:00 p.m. at the Broward Health Corporate Spectrum location, 1700 NW 49 Street, 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 4:06 p.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 Pledge of Allegiance was led by Commissioner Sheela VanHoose

UPDATE ON CEO SEARCH

Commissioner Ure distributed a PowerPoint document outlining his recommendations for the process. However, Commissioner Ure stated that he needed to be very candid that with everything going on and everything confronting the District, he personally thinks it is a little premature to discuss the CEO process. After making a few comments, Commissioner Ure said that he would be happy to review that process if the Board wishes to proceed.

Commissioner Ure commented that these last several weeks and months have weighed very heavily on him personally. He is not an investigator or a detective; that is not what he does. He has made some comments and shared them with the entire Board and has been pretty clear about specific things that have concerned him greatly and there are more things that have troubled him that he has not communicated. Specifically, he had indicated his concern with respect to the unilateral decision-making that had gone on and he recognized that the Chair had apologized and that was appreciated by him. Commissioner Ure also indicated that the Chair had selected the Internal Auditor, Ms. Vinnette Hall, as the liaison to work on this investigation with the Inspector General's (IG) Office. He stated that after reading the IG's letter, he communicated with the

Board his shock that there were missing documents that were not provided to the IG's office. He could not understand how this could have occurred. Some of the contracts listed were finalized while he was sitting on the Board. Ironically, this is his 100th day on this Board and to sit here and have things that had occurred specifically in these 100 days not be on that list is very troubling to him and he is having a difficult time digesting this.

Chair Di Pietro commented that he is happy to air out all of Commissioner Ure's concerns; however, this is the section on the agenda to discuss the CEO Search. The Chair said it is important that the institution go forward with the CEO search and if there were some particular things that Commissioner Ure wanted to air out about him, Commissioner Ure is welcome to do that here and in the Sunshine.

Commissioner Wright stated that the agenda is not being followed. If the Board wants to discuss the CEO search now, then that decision needs to be made. Commissioner Wright suggested to Commissioner Ure that the contract issue he is discussing be held during the Internal Auditor's report. Commissioner Ure said he would be happy to get into the CEO process momentarily but he has something more significant that does impact the rest of the proceedings.

Chair Di Pietro said he has a great deal of respect for Commissioner Ure and that is why he thought he would be a great person to help the Board with the CEO search and why it is on the agenda and the rest of the Board echoes that respect. The Chair realizes that Commissioner Ure has done a lot of background work and has met with the Chiefs and he was hoping that Commissioner Ure could present his recommendations for this process so they can move forward with the search.

Commissioner Ure asked the Chair for a little latitude considering the situation. Chair Di Pietro asked the Board if they wanted to move forward with discussing the CEO search and selection process. The Chair said he thought Commissioner Ure wanted to speak about an email-related matter which he is happy to discuss; however, does the Board want to talk about the CEO search process and how they are going to move forward with the selection of Broward Health's CEO which he believes to be critical. Commissioner Ure again asked for a little latitude to finish making a few comments and then he would be happy to present his recommendations for the CEO selection process.

Chair Di Pietro asked what was the pleasure of the Board.

Commissioner Gustafson commented that Commissioner Ure is new to the Board and he also went through this sometime in the past. He thinks the Board should follow the agenda and then after his presentation on the CEO selection process, allow Commissioner Ure some latitude to go back and finish his comments on the items that are of great concern to him so that he could share those concerns with the full Board.

Commissioner VanHoose said that she wants to hear Commissioner Ure's concerns. Everyone on this Board has voiced their opinions at one time or another and Commissioner Ure should have the same latitude but she also wants to hear his presentation since it looks like he has done a lot of research on the matter.

Commissioner Rodriguez agreed.

Commissioner Canada said that they should move so that they can hear Commissioner Ure's recommendation for the CEO selection process and then after his presentation he could then finish his comments.

Commissioner Ure felt that what he had to say could have an impact on the rest of the agenda. However, if they want him to move to the presentation of the CEO Selection Process, then he will move to that presentation and complete his comments when appropriate.

Chair Di Pietro asked if there was a consensus by the Board to move to the CEO Search. The answer from the Board members was yes. Commissioner Ure did not respond.

Commissioner Ure said he wanted to provide some background information as to what went into putting this document together. There is some work to do before something gets implemented, not the least of which is Board approval of what to implement. He said that he attempted to organize a meeting of the Human Resources (HR) Committee on the 17th of February but, unfortunately, they were unable to have a quorum. He was out of town for some time during the first of February and apologized to everyone that he could not hold a meeting that would have been more convenient to the other HR members. Commissioner Ure did spend a lot of time with Ms. Dionne Wong, Sr. VP/CHRO; however, he does have quite a bit of experience that comes into play. He said what he did with the PowerPoint was to outline the goals of the search process; background information/input/issues to mitigate/suggestions for improvement from past processes; recommended process for board approval and his commitment to serve and see this through. He went on to discuss each category in detail.

With regard to Goals: Commissioner Ure commented that the decision of who they identify is the most significant decision that this Board will make especially in the tenure he has remaining. He indicated in his comments in January that there is a finite pool of talent out there and actions that the Board takes or does not take are things that candidates will evaluate. He explained that he reached out to people in his network who were kind enough to give him their thoughts from a candidate's viewpoint at this juncture. He feels it is important for the Board to understand that they will not just be interviewing candidates - candidates will be interviewing the Board. The reality from his perspective is that those scales are not exactly balanced because he believes that the candidates are going to be more critical of them in this situation than the Board will be of them, in his opinion. He believes that it is a perspective that they need to acknowledge.

Chair Di Pietro said that unity on the Board is very important. Memorial went through some difficulty with unity as it related to their selection process. He agreed with Commissioner Ure that this Board needs to show that they are unified and moving along best serves its shareholders and patients.

Commissioner Ure informed the Board that he spoke with three people who were either current or former CEOs of major health systems - all three were advised that they would be excluded from consideration if they agreed to speak with him. It was important to note that none of the three seemed to mind being excluded. What he was trying to scheme a little perspective of was the aspects of the challenges from the search process from their point of view and to discuss the issues that could lead to a revolving door at the CEO position. Commissioner Ure informed the Board that he will prepare something with a little more meat on the bone when he has the opportunity to digest all of those discussions as well as convene with the Search Committee so that they can best position BH to identify a person that will best fit with Broward Health.

Background Information/Input: Commissioner Ure indicated that he sat down with Ms. Wong for several hours and they had a very good meeting. She was kind enough to provide him with her perspective and her experience in both past search processes and suggestions on how they could improve that process. This morning he had a meeting with three of the four Chiefs of Staff (Dr. Yogel was on vacation). He indicated to them that he did not know if they were going to participate in the selection since he did not know for certain. He just wanted to put that out there for them. The Chiefs and the physician community is a very critical component of this process and in developing the criteria that the Board is ultimately looking for. He also indicated to the Chiefs that this would not be their one and only opportunity to weigh in and he would make himself available as often as possible.

He referred to the list of **Issues to Mitigate and Suggestions for Process Improvement**. Commissioner Ure said that in his conversation with Ms. Wong she identified several of these things including maintaining a secure “Gatekeeper” system; managing the preliminary vetting of candidates based on the set of criteria focused on the unique attributes and skills demanded of the CEO and maintaining confidentiality of candidates for consideration until required by Sunshine Law. This is something that came out of his preliminary interviews with former CEOs (one current and two former). There is a lot of sensitivity to this issue and he has no interest in keeping anything from anyone. However, people who may or may not express an interest currently employed as CEOs, what he heard, was that there is sensitivity toward the timing of that disclosure. Whatever is required under the Sunshine Law he will make certain that it is implemented.

Chair Di Pietro referred to the law. If Broward Health hires a search company, their applicant pool is protected because it is proprietary information but once the applicant puts in for the position, it becomes public. He indicated that he does know all of this but he will work closely with General Counsel to make sure that everything is done the right way.

Commissioner Ure commented that he is simply asking the question, not that he is suggesting anything is improper, but he just wants to understand and evaluate if there were any applicable Shade provisions just simply due to the strategy and vision component of the CEO position. He did not mean to suggest that BH would not disclose individuals but more the actual vision and strategy of what BH is looking for in a CEO. If that is not afforded, then it is not afforded.

Chair Di Pietro said that is where the search company is helpful because they can go to the applicant and have very candid conversations about the position and all of the things that are going on. What BH should do is say to them that once they put in their application, they are then subject to having their name in the newspaper as someone who has applied for this position.

Commissioner Gustafson asked if they have selected a search firm. Commissioner Ure responded that they have not. One of the suggestions that he has is to establish a 5-member search committee with dedicated individuals including one ‘independent’ volunteer from outside the system. He believes it is important to have that one independent volunteer from outside the system for the perspective of the candidate’s side in this process. He wanted to stress that the search committee will not have the power to act, it can only recommend. It is only a suggestion.

He then addressed the **recommended process for approval by the Board**.

1. Authorize a 5-member CEO Search Committee comprised of members from the HR Committee: Commissioners Ure, VanHoose and Rodriguez; Dionne Wong, SR.VP/CHRO and one independent volunteer to bring perspective of a “Candidate”.

2. Authorize the CEO Search Committee to issue an RFP to engage a National Search Firm specializing in the Health Care Industry. He identified the following, but he is open to any suggestions to adding names.
 - Korn Ferry
 - Diversified Search
 - Spencer Stuart
 - Heidrick & Struggles

Commissioner Rodriguez said to put his mind at ease about lobbying at the last Board meeting they passed a motion that the Commissioners would not allow people to lobby them on behalf of the CEO. If there is anyone who would do that, they would be disqualified from applying.

Chair Di Pietro said it passed for staff but Commissioner Ure was going to give the Board some suggestions about external lobbying. Commissioner Ure said that he looked at this and, frankly, the reality is that he cannot stop someone coming up to him or sending him an email, harassing him on his phone; however, what he can do is to decide whether or not it will influence his decision. He said that he did not believe that a motion is necessary for this. All the commissioners have a compass to guide them and if a motion needs to be passed then fine but he really does not believe it is necessary. As he started to look at what that motion might look like, there were so many potential caveats that he just kept coming back to “if it looks like a duck, walks like a duck, quacks like a duck, then it is a duck.”

Chair Di Pietro said it is more of a personal thing for him because he has gone through this and maybe it can be put in the RFP. He said it was not fun being lobbied and he does not want to be lobbied this time at all.

Commissioner Ure said that he is not opposed to someone who has more expertise in that area than he has and wants to put a motion out there for a vote. He has no objection to considering that at all.

Commissioner VanHoose said that there is a Board policy that says they do not allow lobbying and that was posted prior to Commissioner Canada and herself coming on the Board. Maybe it is something that could be added in with any documents that the Board policy is no lobbying. However, she agreed with Commissioner Ure that as board members, the onus is on them to say they cannot be lobbied. There is a policy and they are taking a personal stand that they do not want to be lobbied. Commissioner Ure said he does not have a problem with this but he struggled with what the language would be. He said that he will not be under the influence. He believes that there is enough language in the District’s bylaws or policies to address this.

Commitment to Serve: Commissioner Ure said he wanted to finish by saying that the Search Committee would be 100% committed to implementing a CEO search process guided by an unequivocal respect for the ultimate importance and long-term implications of the outcome; any process which he implements will, to the best of his ability, maintain the utmost integrity and be conducted void of outside influence or he will not commence the process; and finally, Commissioner Ure is honored to have been selected by his fellow Commissioners to Chair the CEO search committee and promises to do everything in his power to responsibly represent the Broward Health System and the citizens of Broward County.

Chair Di Pietro asked Ms. Wong if should could address a timeline for this process.

Commissioner Ure asked the Chair if he could address this issue. Commissioner Ure struggled with this and that is why it is not in his presentation. He would venture to guess that anyone who has worked with him over his many years and knows his background would be very surprised to hear him say that he does not want to set an artificial deadline. He is trying to be very conscious about the issues that BH has now and also the position that they are trying to fill. He feels that the situation right now is quite unique and if he sets a six month deadline and fifteen days from now Broward Health is presented with a very compelling option, he does not want an artificial deadline to impact their decision or ability to act. He does not want to get to the end of a six month artificial deadline and have not found the right person and feel compelled to act.

Commissioner Canada thanked Commissioner Ure for putting this packet together. It was very well thought out and she appreciated it very much. However, she respectfully disagrees with Commissioner Ure with not imposing a deadline or at least an idea of a timeframe for finding a CEO. She agrees that it is the most important search that they can go through as a system but BH is facing a month without Dr. El Sanadi and Mr. Fusco has done a great job coming and stepping up doing what he can to help BH get through these very turbulent waters. However, in the last 30 days they have been very turbulent waters and she feels it is imperative for the system and the success of the system to find a new leader. She is not in any way saying that she does not appreciate Commissioner Ure's efforts, but not having a deadline for such an important role in the system sends the wrong message to physicians, employees and constituents. Too much has happened in the last 30 days and too much has been uncovered for them not to have a very strong leader pulling them out of this.

Chair Di Pietro said he does not know how long it will take to put out an RFP. If the Board wants to go out for a national search firm, what is the cost and how long is it going to take them to do a search and where does it put the Board to do a real prudent search to make sure that everything is done quickly but done in a manner to get the best possible applicant.

Commissioner Ure said he is a deadline person and what might be an effective compromise is not necessary to make that decision here but once they have identified the search company, they would have a lot of input on that which is what he would really prefer to do because he does think that this particular situation is fairly unique, but it is also a unique opportunity. He does not want anyone to suggest or infer from what he is saying that it is uniquely not a good opportunity. He believes that there are a lot of very unique good opportunities for someone but the input from the search firm, should BH engage one, would be very helpful in helping the Board to get a better framework. Should the Board choose today to authorize or approve the two items that he has suggested, he would be very surprised if they could not turn that around by the next scheduled Board meeting.

Chair Di Pietro asked Ms. Wong what would be the timeframe to do an RFP and for staff to bring the Board the best possible company once they know that, to sign a contract and set up a meeting with them so that they can give the Board some recommendations on how the process is going to go so then a subsequent Board meeting can be scheduled to see how they proceed.

Ms. Wong said that she has been working with Commissioner Ure on this process and they have developed a communication setting forth the communication and background and criteria that BH would require in terms of firms identifying themselves. They have also looked to Modern Healthcare which is the typical source that organizations would use to identify the top executive search firms. Historically, they do not change significantly from year to year. Ms. Wong

commented that she believes a letter could go out and in her experience, search firms have historically been quite eager to respond to these requests for proposal.

Chair Di Pietro asked if the search firms listed in the presentation are good firms or should it be expanded. Commissioner Ure said he was not opposed to listing more firms. Chair Di Pietro said that it is very expensive. Commissioner Ure commented that it is not expensive to do an RFP. Ms. Wong indicated that for the larger firms it is typically the same percentile of the full compensation of that incumbent as that is negotiated at an annual fee. It may vary in terms of expenditures but typically it comprises of about 30 to 33 percent of the first salary or first year of wages for the position. Ms. Wong said that every so often you can negotiate a percent or two off but typically they do not erode the integrity of their compensation structure.

Chair Di Pietro asked if staff should just recommend or should they do an RFP. What would be the most transparent way to do it? Ms. Wong said she believes that an RFP proposal should be sent out and provide the organization or HR Committee and anyone else on the Board who may choose to participate, in fact, weigh in. Through this process, Ms. Wong will secure the responses and create a spreadsheet showing their rates and their methodologies because the responses to a request such as these are very standardized. They will include their methodology, their price and their experience. Specifically in this kind of search, they will typically provide a timeframe and the methodology would include soliciting members from the Board and input from the leadership and other places. They will also assess what culturally that incumbent would need to succeed in this organization. Those are all processes that lend it to a large search firm.

Chair Di Pietro asked if they do all of the leg work. Ms. Wong informed the Board that the last time a search firm was used by the Board was either in 2007 or 2008 and all the leg work was done. They typically come in and interview the Board Members and all the stakeholders that they identify and from that they create a "Position Specification" that sets the roles, duties and responsibilities and some of the core characteristics that they believe would be a good culture fit. Ms. Wong indicated that some do an assessment for the candidate to assess a fit. They have the opportunity to reach out to persons and it does not become public until they are being considered or have applied for the position.

Chair Di Pietro asked how much is involved to do a meaningful RFP to choose a company.

Commissioner Ure said his recommendation is that the RFP process come out of the 5-member Selection Committee if the Board so chooses and that is his recommendation. Ms. Wong is on that Committee. Chair Di Pietro said that he trusts the three Commissioners that are on the HR Committee immensely but he believes with Ms. Wong's guidance the HR Committee can find a company. Commissioner Ure feels that the search committee can benefit from how the candidate views BH, the situation and the process and he feels the Board can learn from this. This is his personal opinion. He believes it would be helpful in ultimately making a recommendation. Commissioner Ure said that his vision is similar to when the Building Committee came and they had 17 responses to their RFP and they made a recommendation based off of all of those responses. Commissioner Ure commented that his vision is that the Search Committee would evaluate all of those RFPs, present all of the responses and then also at that point present their recommendation to the Board. The RFP would go out to, at least at a minimum, these four that are listed in the presentation and they would then evaluate those responses to that RFP and rank all of the responses to the RFP along with a recommendation to the Board.

Chair Di Pietro agreed that they should rank who the best company is and bring it to the Board and then the Board should engage the company.

Commissioner Wright was totally in support of having an independent voice on the committee. What kind of qualifications would be needed by the independent volunteer? Commissioner Ure said he would like to identify someone who has been through a search process themselves and has been successfully placed at an executive position. It would be someone who can certainly provide that kind of input and do it in a simply constructive way and independently critical. Commissioner Ure said it was by no means a requirement; it was just a suggestion. As he began talking with people to gain their perspective from the candidate side, it really became crystal clear to him that that side of this equation was an important one to not miss.

Commissioner Rodriguez said he understands Commissioners Canada and Ure's concerns. But there needs to be a goal to set a deadline to at least get the RFP done.

Commissioner Canada commented that the Search Committee can help them achieve the goal for a deadline and they can guide the Board along and tell them that they can accomplish this by a certain date.

Ms. Wong said that typically whenever a proposal is submitted it always contains a timeline. Historically, for a national CEO search it will not vary wildly. The board will not see a proposal for a month and one for a year. Typically, it is somewhere between four to six months for a national firm to conduct a search such as this.

Commissioner Ure agreed with Ms. Wong and said that has been his experience as well. He has struggled with this issue but BH does have a good management team and this will buy them the time to make a good decision. The magnitude of putting a deadline out there was a major concern for him but putting out a goal makes him feel better.

Chair Di Pietro asked what would be the goal timeframe to do an RFP and get the HR Committee meeting set, for them to put out an RFP and select a firm to recommend to the Board. Ms. Wong said she has asked Commissioner Ure, since he is Chairman of the HR Committee, his vision for calling an HR Committee meeting and Ms. Wong thinks the initial document that was proposed suffices to be able to at least launch and have the interested parties respond. She believes that the larger firms are so accustomed to this that she has had responses in as few as a week. This is not difficult because the process does not significantly change or the methodology.

Chair Di Pietro asked Ms. Wong if the HR Committee can come up with a recommendation by the March 30th Board meeting for the approval of a selection company. Commissioner Ure said that is what he tried to indicate. He feels very confident that by the next regular Board meeting they will be prepared to go through their findings and submit a recommendation for approval.

Commissioner Canada also asked that at the next regularly scheduled Board meeting, Commissioner Ure suggest the name of the independent volunteer that he would like to serve on the Committee.

Chair Di Pietro asked for a motion to recommend that the HR Committee meet prior to the next regularly scheduled Board meeting to review the RFP submitted by staff for a CEO Search Selection Committee and that recommendation be brought back to the March 30th

Board meeting. The motion was moved by Commissioner Canada, seconded by Commissioner Rodriguez.

Motion carried unanimously.

Ms. Wong said that the HR Committee can agree on the scope as far as the competencies that BH would like to include: a description of the qualifications of the firm; qualifications related to the experience of the key members that will oversee the search; a list of executive searches that have been completed in the past year that are similar in scope, size and complexity of the one that is being proposed; an outline of the executive search methodology, work plans, scheduled cost; and a list of references that will attest to the quality and effectiveness of the searches of similar scope size and complexity.

Commissioner Ure said he wanted to make it clear that this committee is not charged with acting; they are charged with recommending. The Board will be acting and they will follow the direction of the Board.

Commissioner VanHoose commented to Commissioner Canada's point that the District needs leadership and she echoed her sentiments that Mr. Fusco is doing a great job. However, the one thing that this Board can do is empower Mr. Fusco. He is not sure if he is going to be the Acting CEO for one month or one year and the Board does not know how long this search will take. Once the Board has a national search firm in place and there is a timeline, the Board will have a better idea. But until such time, the Board needs to make a commitment to Mr. Fusco that he is the Acting CEO and the Board should empower him in that process and the Board should do everything they can to support the current Acting CEO.

Commissioner Wright indicated that when BH started its journey previously for the CEO he stood alone as wanting to have as much of a nationwide search for a CEO to run Broward Health and not be afraid to bring someone in that will be new to the community. He said it is good sometimes to have a fresh set of eyes. Commissioner Wright suggested that, and he did not want anyone who is on staff at the hospitals or corporate staff to take this personally, but he would strongly recommend that they exclude any look at internal candidates and that the Board only look at candidates that were outside of the system.

Commissioner Ure said he understands what Commissioner Wright is saying. Commissioner Ure said that he does not believe that they are in any position to exclude anyone, nor should they. If the right candidate presents him or herself from within the system or outside of the system or outside the country, they should be considered.

Following Commissioner VanHoose's comment regarding empowering Mr. Fusco, Commissioner Canada said she was not at the meeting last month when Mr. Fusco was given the authority to remain as Acting CEO but she concurs that the Board has empowered him to act in this role. Where she feels they are lacking is with the staff and administration because they are not supporting the decision that the Board has made. She has seen, heard and talked and has been very upset with listening to people complaining and pointing fingers and just not functioning in doing the job and keeping their eye on the ball. She knows that these are turbulent waters and the Board is doing everything that they can to move forward. The Board asks and expects the same from the physicians, staff and senior staff. It would be most appreciated. BH seems to be operating based on the press and the things that have been published lately and operating in fear. It is freezing the everyday operations of Broward Health. It seems to be

taking hold of BH's culture. BH now seems to have a culture of fear and it needs to be removed. BH needs to get back to what it is really good at and that is healthcare. Commissioner Canada asked that everyone keep their eyes on the ball; respect those who are above them; and respect those who are beside them; healthcare is the name of the game.

Commissioner Wright reminded the Commissioners to coordinate with the hospital staff and personally speak with them. He recently visited with Mr. Grossman at BHCS. The Commissioners are leaders and leaders need to be in the right place at the right time to be seen and heard and answer questions. There is a lot of uncertainty with the staff and the Board needs to calm that uncertainty. Commissioner Wright urged the Commissioners to meet with the CEOs. He said his next visit will be with Ms. Jasmin Shirley and staff.

Commissioner Ure wanted to make sure what was posted and asked that the motion be restated. He asked if they passed what he recommended or was it modified. Commissioner Ure asked if there was an independent person on the five member search committee.

Commissioner VanHoose said that the motion was to send it back to the HR Committee. Commissioner Ure asked if there was some latitude to invite an independent person. The answer was yes.

COMMENTS FROM AUDIENCE:

Mr. John de Groot has been observing the Board in action for almost a decade. While he admires Commissioner Canada's positive thinking, he believes that the staff needs to be afraid. He then provided reasons why they should be afraid. Mr. de Groot expressed his disappointment in the Board's ability to serve and his lack of trust in General Counsel.

Mr. Norman Gard said he does not know numbers, nor did he deal in personalities, but he urged the Board to go outside for a CEO, no matter how long it takes, and he strongly urged that they get an independent counsel from the outside to handle this investigation and remove the black cloud over the District. He asked that the Board concentrate on the medical staff. There seems to be unrest and problems within the medical staff who serve the public.

APPROVAL OF MINUTES

1. Request approval of the Minutes of the Regular Board of Commissioners' meeting held on January 27, 2016.

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

THAT THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS HELD ON JANUARY 27, 2016 BE APPROVED AS PRESENTED.

Motion carried unanimously.

2. Request approval of the Minutes of the Regional Medical Staff Quality Report meeting held on January 20, 2016.

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

THAT THE MINUTES OF THE REGIONAL MEDICAL STAFF QUALITY REPORT MEETING OF THE BOARD OF COMMISSIONERS HELD ON JANUARY 20, 2016 BE APPROVED AS PRESENTED.

Motion carried unanimously.

MEDICAL COUNCIL AGENDA

3. BROWARD HEALTH IMPERIAL POINT

Dr. Howard Lewkowitz, Chief of Staff of Broward Health Imperial Point, reported the following:

- On, Jan 19 - Gail Gannotta presented at the Imperial Lifestyle Changes Group Aging and Disability Resource Center and Dr. Vasana Cheanvechas lectured on leg pain and varicose veins at High Tea & Trivia Lecture Series
- On Jan 21 - Dr. Parr presented on Robotics at the Pompano Chamber of Commerce leadership and Dr. Gorbatiy presented to seniors at John Knox Village
- On Jan 27 - Dr. Gorbatiy gave a Radio Interview with Anita Finley for Boomer Times Radio
- On Feb 02 - Support Group to discuss with fellow caregivers topics that come up
- On Feb 04 - Heart Month Health Fair- events at BHIP for community and staff at BHIP
- On Feb 11 - BHIP and the Community Farmers Market of South Florida opened a seasonal farmer's market starting the second week in February 2016 reoccurring every Thursday. The farmer's market will be held every Thursday beginning the second week in February and running through the end of April and will be open from 11 a.m. until 7:30 p.m.

Dr. Lewkowitz further 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.

Commissioner Ure wanted to confirm that everyone being presented today for reappointment is compliant with the CIA requirements.

Dr. Lewkowitz informed Commissioner Ure and the Board that it was his understanding that BH is 100% compliant with CIA requirements district-wide.

It was moved by Commissioner Canada, 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.

4. **BROWARD HEALTH CORAL SPRINGS**

Dr. Zingaro provided the following update:

- BHCS will be having its South Tower Groundbreaking Ceremony on Tuesday, March 15th at 10:30 a.m. right outside the main lobby with refreshments /get-together celebration following ceremony. Invitations are currently being sent out.
- BHCS Case Management and Quality Department: Lenie Clancy (Manager, Case Management), Mary Monahan (Coordinator, Case Management), Barbara Gershon (Quality Management Specialist) and Ava Dobin (Regional Manager of Quality) will be giving a presentation in Tampa on March 4th to the Health Service Advisory Group (HSAG) on BHCS's Six Sigma project on the reduction of hospital re-admissions. The results of the report will also be published by HSAG.
- BHCS Case Management Coordinator Mary Monahan, our resident expert on InterQual criteria on the guidelines for hospital admissions, has been sharing best practices with the other BH Hospital case managers. BHCS continues to show leadership across the system.

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; Allied Health Appointments; 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 CORAL SPRINGS MEDICAL'S MEDICAL COUNCIL -- ITEMS 4 (A-D):

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

Motion carried unanimously.

Chair Di Pietro asked how the census was for BHCS. He was informed that they were full. BHCS is very busy.

Distinguished Clinician – Stephen Geller, M.D.

Dr. Stephen Geller has been on staff at BHCS since May 1987 and served as Chief of Staff from 1995 to 1997. Dr. Geller has been Chairman of the Emergency and Patient Care Quality Committees and has been the Physicians' Advisor since 1997.

Always willing to listen to quality concerns and offer invaluable information regarding past history of specific situations. He is very approachable regarding questions with medical care regarding concerns of review of chart. He was the CPOE champion during the implementation of computerized orders and the ICD-10 Physician Champion.

Dr. Geller reviews H&Ps which is required by the Joint Commission and has always been an excellent liaison between Quality and physicians. He attends and participates in the Interdisciplinary rounds daily in the CCU/ICU. Performs managed care peer-to-peer reviews and appeals; performs second level review for medical necessity- admission and continued stay and intervenes with LOS outliers as needed. Dr. Geller presents all the Utilization Reviews and Case Management issues to appropriate Committees.

BHCS is proud to name Dr. Stephen Geller as their Distinguished Clinician.

5. **BROWARD HEALTH NORTH**

Dr. Hoffberger introduced BH North's *Distinguished Clinician Steven Naide, M.D.*

Dr. Naide is an orthopedic surgeon who joined the medical staff at Broward Health North in November 1999.

In 2006 Dr. Naide, along with his partner, spearheaded the anterior approach to hip surgery in South Florida. This was a groundbreaking process that truly puts patients first. According to the US News and World Reports, BHN completed 490 hip replacement surgeries in 2011. The average length of stay was 3.5 days for all of these surgeries and the readmission rate within 15 days was very low at 1.7%. This is a testament to Dr. Naide's dedication to better health for his patients. Dr. Naide continually supports the ancillary staff and organizational goals. He provides an exceptional experience to all his patients. He is often observed spending time at the patient bedsides answering patient questions and giving encouragement. The staff often comments how easy it is to approach him to discuss patient care. He is truly a role model and a leader.

Dr. Naide is the Medical Director of our Orthopedic Trauma program at BHN and has developed trauma training criteria to ensure a high level of quality care for all of our orthopedic trauma patients.

Dr. Naide was the BHN Most Valuable Physician for the third quarter in 2014. Some of the things that the employees had to say about Dr. Naide were - "Dr. Naide is a true example of what a physician should be. He is a down to earth professional with a terrific bedside manner." So many patients and staff members have made wonderful comments about him. He is always happy to answer questions for patients and staff. He responds quickly and pleasantly to all calls. On top of all this, Dr. Naide is an excellent, wonderful surgeon. He promotes our Total Joint Program as a true team member. I can't say enough great things about Dr. Naide. He is one of a kind and our most valuable physician!

Dr. Hoffberger thanked Dr. Naide for his tireless dedication to the patients and Broward Health employees and the community.

Dr. Naide informed the Board that BH North started the Joint Replacement Program about eight years ago and it has been a terrific thing for the community. It is one of the few in the state that is accredited by Joint Commission. BH North attracts patients from all over the country. People come from Canada, Boston, Philadelphia, Washington and Chicago. They come because they hear about the program and the results. It has been a tremendous program for the entire system.

Dr. Naide said that every six months BH North holds a reunion lunch and asks the patients to come back. It is an amazing thing to watch these former patients get up and talk about their experiences. The positive thing that comes out of this is just irreplaceable. It is the best public relations that BH can get for the hospital. Dr. Naide thanked the hospital for what it has done for them also.

Dr. Hoffberger then provided the following update:

- Broward Health North is pleased to report that construction is moving along nicely. We have created “transition teams” so once construction is complete, we will be ready to move into the new space in an organized manner.
- The BHN trauma program was surveyed by the American College of Surgeons Trauma Quality Improvement (TQIP) registrars earlier this month. They reviewed and validated the data BHN submits to the College which we use to improve quality. The outcome of this validation visit demonstrated that BHN is the third top performing hospital in the country for TQIP data. The registrars were very complimentary of BHN’s commitment to the quality process and were impressed with the work completed on Massive Transfusion for trauma, geriatric trauma and using risk-adjusted data to affect change. BHN has been asked to present our Massive Transfusion Process to the TQIP International Meeting in November 2016.

Dr. Hoffberger commented that despite everything that is going on, patient care is not suffering. BH North is still in the community and happy to serve. The trauma team is doing a great job; orthopedics are doing a great job and, hopefully, all of this will pass over and then BH can focus on the great things that the BH system does and move forward and do quite well.

Dr. Darren Hoffberger, Chief of Staff of Broward Health North, reported that the Medical Council had reviewed and recommended for approval by the Board of Commissioners all exhibited Medical Staff Additions, Changes and Resignations; Medical Staff Reappointments; Allied Health Additions, Changes and Resignations, Allied Staff Reappointments; Community Health Services Addition and Community Health Services Reappointment.

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

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

- 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 Addition
- F. Community Health Services Reappointment

Motion carried unanimously.

1. BROWARD HEALTH MEDICAL CENTER

Mr. Mark Sprada asked the Board if he could bring Dr. Brian Cross back for his award at next month's board meeting. Dr. Cross is an orthopedic trauma surgeon and he could not make it this evening and he really wanted to come.

Chair Di Pietro commented that they would like very much to have Dr. Cross come back next month to receive his award.

Mr. Sprada provided the following update:

- BHMC's volumes are very strong. They are ahead of budget and their pay mix is very good and ahead of cases in surgery. BHMC is having a very good month.
- He thanked Alex Fernandez, BHMC CFO, who is working very hard on reclassifying patients and to payer classes such as Medicaid.
- At the system level they are working with all of their clinicians to have the appropriate screening for the Zika virus. It is being incorporated into all of their emergency department and admission assessments so that they follow the CDC and the Department of Health Guidance to appropriately test pregnant women and, if appropriate, their partners for the virus.

In the absence of Dr. Michael Morrison, Vice Chief of Staff, Mr. Mark Sprada, Interim CEO of BHMC, 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 Reappointments.

Mr. Sprada said that there was one omission that did not make it in the book and that is the reappointment of Dr. Seth Feldman to the Department of Family Medicine and the status is Courtesy and the reappointment cycle is February 24, 2016 to January 30, 2018. He also reported that all of their Medical Staff has signed the appropriate CIA paperwork.

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

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 thanked Mr. Sprada for stepping in at BHMC. He hears that he is doing an excellent job and thanked him for stepping in since Dr. El Sanadi's absence.

A Motion was made by Commissioner Canada, seconded by Commissioner Gustafson to approve Dr. Seth Feldman's Status Courtesy - Family Medicine for February 24, 2016—January 30, 2018

Motion carried unanimously.

CEO REPORT

Mr. Kevin Fusco reported on the following:

- Six Sigma project on revenue cycle management led by Maria Trueba has had teams in place at all four facilities and currently they are in the improvement phase. The project should be wrapping up by June 1, 2016.
- CEO search at BHMC is underway. They conducted screening interviews last week on February 18th and they have a second screening scheduled for tomorrow, February 25th.
- Some of the Commissioners were able to make it up to the Safety Net Hospital Alliance "Days in Tallahassee" on Monday and Tuesday, February 22nd and 23rd. Ms. Mather did a great job getting everyone around and bringing them up to date with all the issues. She was a rock star. BH was in favor of the Senate's LIP proposal which would have the smallest reduction for BH.
- BHMC was granted certification by the American College of Radiology for Breast MRI.
- Dr. Doris Peek was named one of the Becker Hospital's Review 130 Women Hospital and Health Systems Leaders.
- Dr. Dan Westphal named Chairman of the American Board of Quality.

CFO REPORT

Mr. Wallace asked if he could defer the financial report until they discuss the Interim Financial Statements under Tab 7.

Mr. Wallace informed the Board that he, Mr. Fusco and Commissioner Ure had a conference call with Standard & Poor's today for BH's annual review. The last review was in December, 2014. They spoke with them for about one hour and a half. They had significant amount of presentation that carried over previously and in conclusion they asked for about three things that BH will be sending them and there will probably be more questions in the weeks ahead. Mr. Wallace said they will probably issue a final report in the upcoming weeks with respect to their findings and conclusions. BH is currently rated A with a stable outlook from Standard & Poor's.

On December 2nd, Dr. El Sanadi, Commissioner Ure, Mr. Wallace and Mr. Robert Martin met with Moody's in New York. They did some follow up with Moody's and things were put aside until January. Since then, issues have occurred and both firms have been very patient in terms of working with BH on the timelines. On Friday, February 26th at 1:00 p.m., Commissioner Ure, Kevin Fusco and Mr. Wallace had a conference call with Moody's discussing what their findings and conclusions will be. Following the call, Moody's will send BH a draft report. That draft report is Moody's and it is not open for distribution. BH will have two hours to review it to make sure that there are no factual inaccuracies or other matters that need to be addressed. They will take the report back and edit it and review it and BH will probably get a final report on Tuesday which will be issued to the general public.

Chair Di Pietro asked if Mr. Wallace will circulate that report once it is public. Mr. Wallace said absolutely.

CHIEF INTERNAL AUDITOR REPORT

Ms. Vinnette Hall addressed the contracts requested by the Inspector General (IG). BH received a letter dated January 29th that indicated the IG would be conducting a review of all contracts that the District entered into since July 1, 2012. Ms. Hall interpreted their request to mean new contracts that were entered into effective July 1, 2012 going forward. If that was an incorrect interpretation, she apologized to the Board and the IG but her interpretation was that they were looking at new contracts entered into from July 1, 2012 which is what she requested.

She requested a contract list from both Contracts Administration and the Procurement Department. In addition to those departments, based on a previous project that Audit worked on with the Compliance Department, there were a couple of departments that she was aware of that may have potential contracts that were not included in those databases. She contacted the Risk Management, Focus Arrangement, BH Foundation, and Managed Care departments as well as Children's Diagnostic and Treatment Center and requested that they provide any additional contracts that they may have that were not in those systems. She combined those lists and also searched for duplicates. In addition, she also requested a list directly from Meditract to see if any of those contracts meeting that criteria were in their database just in case some contracts were missing. BH has had problems in the past so she wanted to make sure that BH got all contracts from the vendor that met the criteria. She also added those contracts to the list.

Chair Di Pietro commented that some of the contracts mentioned were MedAssets which were approved in December 2007 and were not approved by the Board. The other contract listed was Premier which was BH's GPO before MedAssets. Ms. Hall said that was correct. Ms. Hall said there was another contract, G4S, which was effective before July 1, 2012 so that would also not have met the criteria as she interpreted the request.

In addition, Ms. Hall said that she compiled the list and sent out an email to regional executives, General Counsel, Mr. Fusco, Compliance VP, BH Physician Group VP, and HR VP asking them if they were aware of any contracts that they had that may not have been entered into the system, to let her know. She asked the Contracts Administration and the Procurement departments to verify the process that they did include all of the contracts that met the criteria including contracts from an earlier system like Paper Tracer and the Lawson system. They assured her that they went back through those systems and included all of the contracts.

Chair Di Pietro asked if BH has a system where you can just push a button to generate a list of all BH's contracts. Ms. Hall said BH does not have that kind of system and there have been challenges. Chair Di Pietro questioned if, as a Best Practice, should BH have that type of system. Ms. Hall stated that she believes that BH should have such a system.

Commissioner Gustafson asked if all the contracts that the IG requested have been identified. Ms. Hall said the only contract that BH has had an issue with is the Premier Contract. They have identified a document but she is not sure if that is a contract. In addition, the Procurement Director has requested four boxes related to Premier from storage that are presently being copied so when the actual contract is found, if there is one, it will go to the IG.

Commissioner VanHoose indicated this is something that the CEO could help with. It is a problem when contracts are not entered into a database and it is important that they be entered. She asked Mr. Fusco if he could help to make sure that all contracts are entered. This is 2016 and BH should be able to have a digital system and be able to pull contracts in a very easy manner. Ms. Hall cannot push for that like the Board can. Mr. Fusco said that BH had two systems but the contracts requested by the IG predated those systems. Some of those contracts were in a paper-based system or in an old scanning system. The two systems that BH has currently are the Meditract and one is called Arriba. Currently, there is an evaluation going on to see if it is feasible to combine both systems so BH would then only have one system.

Dr. Peek said that both systems are cloud-based systems and are vendor supported. All that I.T. provides is the connectivity for the user to that cloud.

Ms. Hall also informed Commissioners that the IG is in town this week and they have been interviewing some of the employees and will also be here until tomorrow, February 25, interviewing more employees. The IG will also keep her updated on any other additional documents that they may want to see.

Commissioner Canada said if it would make Ms. Hall feel any better to know that she would have interpreted the IG's request the exact same way.

Chair Di Pietro complimented the work being done by Ms. Hall. He said she is doing a great job under these circumstances and he wants her to produce all of these records as fast as she can. **He asked that the Board have a nominal motion to support the Internal Auditor's efforts to comply with all requests and be as transparent as they can under all circumstances legally.**

Chair Di Pietro asked for someone to entertain that motion on his behalf.

It was moved by Commissioner Canada, seconded by Commissioner Gustafson.

Motion carried unanimously.

Commissioner Ure asked, for his own edification, for Ms. Hall to clarify if she had been presented with a list that included those contracts and passed on a list to the IG that did not include those contracts for one reason or another. Ms. Hall inquired as to what contracts. Commissioner Ure stated the contracts that the IG referenced were missing. Ms. Hall said she did not believe that they identified which one of the contracts was missing. There were seven contracts identified as far as she knew and four of those were on the list. The other three were G4S, Premier and MedAssets which were before 2012.

Chair Di Pietro stated that BH should provide any contract that they are looking for. Commissioner Ure agreed.

Commissioner VanHoose said it is important to know that they have narrowed their scope to some degree. Last week, BH was looking at 6100 contracts. She asked Ms. Hall how many contracts are they down to now and if she could just mention for the record what the scope is now. Ms. Hall said based on their request that they sent they have requested seven contracts and in the interviews they have also asked for information on some additional contracts: American Medical, Anesco and 10 more for a total of around 20 contracts that she is aware of.

GENERAL COUNSEL REPORT:

Ms. Barrett said that she had good news to report on the Medical Staff's compliance with signing of the Code of Conduct and Policies and Procedures. There were about 125 physicians who did not sign for one reason or another. She advised them that the Board has the authority under the Charter to require certain rules and regulations to be passed and to suspend the medical staff privileges of anyone who refused to comply with the rules. Ms. Barrett stated that the good news was that they did not have to get there because they have 100% compliance with the signing of the Code and the Policies as of today. The last person signed today and she expressed her appreciation to the Chiefs of Staffs and Kevin Fusco who every day are going through and seeing who signed and who did not sign. Also, the medical staff attorney understood the position of the Charter vs. the Bylaws and was very helpful in getting those signatures.

On the Naming Rights, at a prior meeting, she was asked to see if there were any legal issues in naming the Emergency Room at BHMC after Dr. El Sanadi. She said that she did consult with counsel who had experience in this and was told that just as a general matter there are no impediments.

Commissioner Ure stated that part of the question was if there was a legal issue or something that they needed to be apprised of in the naming of the ER at BHMC. Commissioner Ure said this was something that he was directed by the Board to look into and he neglected to include this in his previous comments. Commissioner Ure said he spoke with Dennis Stefanacci at the Foundation and, unfortunately, he could not be here today. However, Mr. Stefanacci informed the Commissioners that there is a coordination of those decisions between the Foundation and the Board as well as the actual operating entity where that would be done. Mr. Stefanacci asked if he could have a little bit of time, of course being sensitive to the strong desire to recognize Dr. El Sanadi, to evaluate this and come back in March with a recommendation. He also wanted to be sensitive to other donors and other issues.

Chair Di Pietro recommended sending this to the Foundation Board.

Commissioner Canada asked if there was a motion to look into this. **Commissioner Canada moved that the Board move this to the Foundation and have it placed under consideration by the Foundation; seconded by Commissioner VanHoose.**

Commissioner Canada said all they are doing is asking the Foundation to look at this.

Commissioner Ure said he supports the motion.

Motion carried unanimously.

Ms. Barrett commented that Commissioner Gustafson had asked about the physician arrangements and she would like to report that since October they have prepared 342 agreements, employment, on-call coverage and they have completely revamped the clinical research and have received positive emails from physicians and staff.

Commissioner Wright asked if most of those were at BHMC. Ms. Barrett said that a lot of the on-call coverage contracts were at BHMC but the employment agreements are everywhere. They have also been working closely with Physician Services. The new model where they have quality and compliance commitments in the employment models has been met with no push back on any of the metrics that are included in the contracts. There are several letters of intent to expedite the process; they have created a Letter of Intent non-binding so that they can understand the interest of the physicians before going out and spending monies on appraisals. Ms. Barrett also said that they have a number of employment agreements currently being reviewed by physicians.

Ms. Barrett reminded the Board that BH is under a Corporate Integrity Agreement (CIA) in addition to the IG, IRO (The independent Review Organization) who is here this week and as part of the CIA. As previously reported, BH is required to obtain a Fair Market Value (FMV) and Commercial Reasonableness report in connection with every focus arrangement (physician arrangements). Ms. Barrett commented as she has reported in the past, BH has two national companies that they have been working with and one of the companies is Pershing Yoakley & Associates P.C. (PYA). They are a national company and one of the principles is Marty Brown, who has done over 1,000 FMV compensation analyses. BH entered into a consulting agreement when Ms. Barrett first came on board at BH and they are now up to Mr. Fusco's signing authority so she requested that the Board increase the dollar values paid under that consulting agreement by \$285,000. That would allow the company to complete current arrangements (almost 32 appraisal reports in the queue) and this should take them through the end of this fiscal year.

Chair Di Pietro expressed concern on voting on something that is not even before him. She said that she just prepared an amendment this morning which was distributed to the Commissioners. She said this is very critical because they do not want to pay without a contract. Ms. Barrett explained that they really need to have the appraisals to move forward so that they can have the physician agreements to move forward and the clinical services not to stop.

Ms. Barrett said this is the standard consulting agreement and the amendment is actually two sentences that would authorize BH to add additional funds to complete the current FMV appraisals in order to ensure that clinical services are not stopped.

Chair Di Pietro commented that all contracts over \$50,000 or exceeding that amount should come to the Board for approval. Ms. Barrett said she is bringing it to the Board now for approval. She

explained that when she first came on Board in August, BH did not have a CIA, she had no idea that they were going to have 342 contracts that have been completed, not to mention what is in the queue, which includes hospital-based agreements, on-call coverage agreements and employment agreements. Chair Di Pietro asked when this needs to be signed. Ms. Barrett said she would appreciate having the authority tonight and Mr. Fusco could sign it tomorrow.

Chair Di Pietro commented that he never knew that BH had a standard consulting agreement. Ms. Barrett informed the Chair that Contracts Administration prepares all consulting agreements and the scope of work is about four or five sentences as an exhibit.

Chair Di Pietro questioned what this firm did. Ms. Barrett said that they do FMV and commercial reasonableness appraisals and this one is for physician arrangements.

Chair Di Pietro commented that BH has a Fair Market Policy where certain firms have been pre-selected for this purpose. Ms. Barrett responded and said no. BH did not have companies pre-selected prior to the CIA. There were books that they utilized to establish FMV such as MGMA and Sullivan Cotter. Ms. Barrett suggested having the IRO speak to the importance of this. Chair Di Pietro stated that he did not even know BH had an IRO since the board never selected an IRO; however, he is willing to speak to the IRO but he does not know who they are.

Commissioner VanHoose asked if this was a renewal. Ms. Barrett said it was not a renewal, it was just an additional sum of money to complete FMV appraisals. Commissioner VanHoose asked Ms. Barrett to share with the Board the investment that they have made in finding FMVs and what that dollar value is as a savings for the District. Ms. Barrett explained that the idea of the FMVs with all the physician arrangements, hospital-based in particular, is a very deep analysis of if BH is providing financial assistance to an entity. The appraiser makes sure that the money that they provide is consistent with FMV and is commercially reasonable; does the entity need it and how much do they need. Ms. Barrett informed the Commissioners that in one hospital-based arrangement BH had a savings of \$4.1 million. She said that the ROI is about 800%, not sure if that is correct.

Commissioner VanHoose clarified with Ms. Barrett that what she is looking for is not a contract approval or renewal but additional spending authority.

Commissioner VanHoose said that she would approve the additional spending just knowing how much has been saved in the process.

Commissioner Gustafson asked how she arrived at the number. Ms. Barrett explained that they gave them an estimate of the contracts that would be up for renewal and asked the entity to estimate the cost of completing those FMVs and that was the estimate given to Ms. Barrett.

Commissioner Gustafson asked what type of contract is the most expensive to review. The most expensive, because it is the most time consuming and the most analyses, are the hospital-based and the employment agreements with the P&Os that the physician services provides and the least expensive would be the Medical Director and on-call coverage; although, it could get complicated depending on the circumstances.

Commissioner Canada questioned how this is billed. She said that Ms. Barrett is asking for a fairly large sum when they have been going through this process for some while; it is almost doubled. Ms. Barrett replied that was correct. Commissioner Canada asked if there was a way not to have the

“ask” be so much. Ms. Barrett said the amount is based on what they have projected from the CEOs and the facilities and what is needed. Mr. Fusco knows that some of the hospital-based agreements are coming up for either an FMV review (like Radiology) or a brand new agreement where BH does need an appraisal under the CIA to have new or extended agreements. Ms. Barrett said that \$285,000 is the amount to take them through the end of the year.

Chair Di Pietro commented that this contract was signed by BH’s CFO on August 19, 2015. Chair Di Pietro asked what was the CFO’s signing authority. He asked if the CFO and CEO have equal signing authority under the bylaws. Ms. Barrett replied yes. Chair Di Pietro said since he has not read this 27-page document he couldn’t have anticipated that this contract would double in price. Ms. Barrett said she was only at BH for a few weeks and they had certain arrangements, one being transplant for which they had to get an FMV opinion, so she had no idea the volume of contracts or the requirement in the CIA for having every focus arrangement subject to a FMV and commercial reasonableness report.

Chair Di Pietro asked if this could wait until Legal Review so that all of the Board members could review it before voting on it. Ms. Barrett replied that there was not a legal review meeting in February. She stated that the problem is that it will stop the services being provided if they do not have the FMV to complete the contracts.

Commissioner VanHoose asked how that would impact the District. Ms. Barrett responded saying it would be devastating because there are so many arrangements in the queue. Currently, BH has 32 projects but one project includes multiple call coverage arrangements at different facilities so it could be 55.

Commissioner Ure said he has seen this document before but not for this vendor. He wanted to make sure that this is the same agreement that BH enters into for any and all similar services and if there is an appendix that identifies the scope of services. Ms. Barrett replied correct. Commissioner Ure asked Ms. Barrett to clarify that the scope of services has even exceeded what they could have possibly anticipated and or they could have anticipated. Ms. Barrett replied correct. Commissioner Ure said that they are a very integral vendor and BH’s ability to implement patient care and pay the physicians under the contracts that are new or renewed that have all been coming up. There was a backlog when Ms. Barrett came to BH which they have been working on and those FMVs are integral to paying the physicians at a fair market rate.

Chair Di Pietro said they did not choose the IRO and the Board does not know how much that is going to cost but that is something that BH must do. It is his understanding that BH had a fair market policy and BH can certainly change companies if that is more prudent for the District; however, he knew nothing about this 27-page document or amendment. Ms. Barrett said that they did present the policies to the Board and the policy states, as does the CIA, that an FMV and commercial reasonableness appraisal is required. She said that they have talked about appraisals, they have gotten executive summaries on the employment agreements and when Ms. Barrett got a call that this was coming she acted immediately and brought it to the Board for consideration.

Chair Di Pietro asked when she got the call. She replied about 1 to 2 weeks ago but it took a while to then identify the actual number of agreements and how much it might cost.

Commissioner Ure said he seemed to recall that there were specific physician contracts that had been presented to this Board at a previous meeting and, as he recalled, some of those physician contracts were presented for approval and did not have attached to them the FMV and commercial

reasonableness. He then said he recalled that the Board then chose not to move and wanted to get those actual FMVs. He asked Ms. Barrett if this is the same firm that would provide those FMVs. Ms. Barrett said it would have been Pershing or the other firm would have provided them. Commissioner Ure said that he did not remember the name of the firm but just that the activity is being conducted. The fact that this activity is being conducted, has been conducted and is being conducted by this firm or the other firm is not news. Ms. Barrett said no.

Ms. Barrett said she is seeking a motion to approve dollar value as suggested and allow Mr. Fusco to sign the amendment to keep the process moving and the physicians paid and the clinical services provided.

Commissioner VanHoose said that Ms. Barrett briefed her on this a couple of weeks ago and that is why she has a different level of comfort with it. For her, this is approving additional spending authority and the other caveat is that BH is not allocating \$285,000, it is just up to \$285,000. That is where she gets a level of comfort, plus it gives the Board a level of comfort that they have FMVs per the CIA and there is also a return on savings and making sure that BH is hitting those FMVs.

Commissioner VanHoose moved to approve the execution of this amendment and approve spending authority up to \$285,000. Commissioner Rodriguez seconded.

Discussion:

Chair Di Pietro said he was just lost. BH has had a fair market value policy and he remembered a company that BH dealt with for recent physician contracts (IHS) but he has never heard of Pershing. The Chair did not mind reviewing it if the Board is going to spend \$285,000 of the District's money.

Ms. Barrett said that it was up to \$285,000 in order to complete the analyses for the balance of the fiscal year. The appropriate motion would be to walk this on since it is not on the agenda. Chair Di Pietro said there needs to be a discussion whether to walk this on or not. He felt that if they are a good vendor of BH, then they should not have a problem with the Board taking the time to read through the contract so that everyone on the Board is comfortable with it rather than just having it handed out at the meeting for discussion and approval.

Commissioner VanHoose said the other option is to send it to the Legal Review Committee. Commissioner Di Pietro feels that it sets a bad precedent that an item could just be walked on and spend up to \$285,000 without reading the document.

Commissioner Gustafson asked if a month is too long to wait and is there money left. Ms. Barrett said no, that is why she got the call. BH has hit the maximum of the original amount from last August. The issue would be that they would stop because BH does not want to pay without a contract and the authority. It would be a month before a significant number of contracts would not be approved.

Commissioner Gustafson asked how BH got to contract with this company. Ms. Barrett said that they spent a considerable amount of time with Dr. El Sanadi calling various companies (at least five), they got proposals and this was one of the top ones in the country. Commissioner Gustafson asked about the company. Ms. Barrett said it was her understanding that company did what was called a "Book" that was a reference guide and these companies were much more robust FMV appraisers.

Chair Di Pietro referred to the FMV Policy that was approved by the Board. He asked Commissioner Gustafson if he remembered how this was debated and a list of four companies were included in the policy and that that list of companies could be utilized by administration. Ms. Barrett said that they were not companies, they were Books. She said that the FMV policy spoke about MGMA, Sullivan Cotter and looking at the Books to see within those Books if a contract fell at or below the 75th percentile. Chair Di Pietro then referred to I.H.S. who approved any contract above the 75th percentile. Ms. Barrett said that she was referring to the new FMV policy that was approved as part of the CIA.

Commissioner Gustafson asked what the urgency was in approving this item today since the Chair has concerns about having time to review the contract.

Ms. Barrett stated that a month would be a very long time to wait given the call that she received. She suggested that possibly the Board could approve a lesser amount to keep things going but she did not ask how much that amount would be to complete the contracts that are due next week or the next two weeks that needed to be signed. She indicated that they need to get the appraisals then they need to do the contracts and they need to be signed so there is no disruption of services and the physicians can keep getting paid under an appropriately executed contract.

Commissioner Ure said for clarification, this amount is for up to \$285,000 through the end of June.

Mr. Joel Mutnick asked if BH was at \$250,000 because that was the spending authority. Ms. Barrett said it was \$240,000. He asked if they were asking to approve \$40,000 until the end of the year. Ms. Barrett replied that the amount would be up to \$285,000 until the end of the fiscal year.

Commissioner VanHoose said she understands his concerns because her policy is that she normally votes no when something is being walked on. She commented that since the Board is not ready for this and even though she has been previously briefed and takes a different view of this request, she was questioning if they wait three weeks for legal review and then another week for the Board approval where does that put BH behind in contracts. Is it just 30 days? Ms. Barrett said probably a little more because some are already in the queue so it might be 45 days. Chair Di Pietro asked when she was alerted to the spending authority issue. Ms. Barrett replied in the last couple of weeks and then it took a while to go through all the numbers to come up with the amount that would successfully go through the end of the fiscal year on the arrangements that they have projecting i.e. the Intensivist agreement and the Radiology agreement.

Commissioner Ure said he understands by what is being said is under the CIA, BH needs to function in this manner. So this is not a debate over whether or not these services are necessary but a debate over whether or not the Board is going to authorize the payment.

Chair Di Pietro stated that BH has always needed an FMV for contracts but this is the first time that an FMV company has ever exceeded the spending limits and spending authority limits. He has never heard of this company and maybe it came before the Board but he does not remember it. Chair Di Pietro said he remembers that BH had companies designated to us and he believes he saw a company recently and was told that it was very expensive but he did not know that BH has two of them. He asked about the name of the other company and how much money has BH spent with them so far. Ms. Barrett said it is FTI and she believes it is around \$91,000. Chair Di Pietro commented that BH has spent \$300,000 in FMVs for this fiscal year. Ms. Barrett replied yes. He asked what BH spent last year. Ms. Barrett said she did not have that number but she could get it.

Commissioner VanHoose asked if BH was doing more FMVs on its physician contracts in the last year. Ms. Barrett replied yes. She mentioned that in the past the way that the policy was written was that the BOOK would constitute the FMV but now BH is getting individual appraisals for the physician arrangements. It is much more robust and protective of the organization process. Chair Di Pietro asked if it was Ms. Barrett's opinion to get an FMV for every single physician arrangement. She replied, yes, it is her opinion. Chair Di Pietro said that they have been advised for years that if certain contracts fall below the 50th percentile they can look at the data from I.H.S. because it was not a risky contract and did not have a salary that was considered not to be excessive. Ms. Barrett said those lower risk FMVs are not very expensive but they still want the protection of having an FMV. She explained that when they do a call coverage arrangement at a particular facility, they would have several of the arrangements in one report to save costs. Ms. Barrett said that they then review all of the reports and all the guidance internally.

Commissioner VanHoose moved to walk on the amendment to the Pershing Yoakley & Associates Consulting Agreement and add additional spending authority up to \$285,000. Commissioner Rodriguez seconded the motion.

Discussion

Commissioner Wright asked if he did not approve this would a doctor not get paid. Ms. Barrett replied yes. If there is anything that is due and there is no signed contract because they do not have an FMV, they would then have to suspend that contract to be in compliance.

Commissioner Canada asked if they could use that second company. Ms. Barrett said they could and they have shifted some work over to them because some are in process and need to be completed.

Commissioner VanHoose asked if it would be possible to use the second company until the Board can review and approve the amendment. Ms. Barrett said the Board could approve a lesser amount.

Commissioner VanHoose said that she agrees with Commissioner Canada's suggestion to use the other company until this can be reviewed at Legal Affairs. Ms. Barrett said she would make one caveat that for efficiency and cost, as there are some contracts that are so close to being done, that it might make more sense to approve a lesser amount.

Following further discussion, the Chair recommended holding a Special Board meeting prior to the Strategic Planning meeting on March 16 at 8:45 a.m. to address this item so that all Board members can read it.

Commissioner VanHoose moved to hold a Special Board meeting on March 16, 2016 at 8:45 a.m. to address this item so that all Board members can read the amendment. The motion was seconded by Commissioner Rodriguez.

Motion carried unanimously.

Ms. Barrett said she would like to address Mr. de Groot's comments about trust and Commissioner Canada's comments about keeping your eye on the ball. Ms. Barrett wanted to reiterate what Mr. Perez and Mr. Fusco previously said about her in particular and the District's full cooperation with any investigation from any governmental regulatory authority, that she has completely cooperated, has not obstructed and has had conversations with governmental authorities and has briefed the Board individually. She commented that if the Board would like for Mr. Perez to come up and

reiterate what was said previously, he would be happy to. In light of Mr. de Groot's comments, she felt it was important for her to say on the record that she has and always will continue to fully cooperate with any government investigation. She said that if anyone would like to discuss steps that they have taken preserving documents, she would be happy to talk about that.

Commissioner Ure said he appreciates her comments and added that he has witnessed her incredible dedication in the amount of time that she has put into exercising all of her duties. Commissioner Ure said he personally finds Ms. Barrett to have unimpeachable character and he absolutely trusts her judgment and that she is unequivocally doing right by this system.

Commissioner Rodriguez agreed with everything that Commissioner Ure said. He also commented that Ms. Barrett was hand-picked by Dr. El Sanadi; he trusted her. Some of the Board questioned her ability in the beginning but they have since learned to work with her and see her in the office early. He happens to be one of those guys who trust her. The only thing that she is guilty of is that she is trying to keep the Board straight so they do not go back to the tactics of the past years and will not have to pay another \$69 million.

Commissioner Wright suggested that Commissioner Rodriguez correct his statement. Ms. Barrett was selected by the Board and not hand-picked by Dr. El Sanadi.

COMMITTEE REPORTS:

Special Audit Committee

Commissioner Darryl Wright said he would summarize through action rather than reading through the minutes. The one action that was needed was already made supporting Ms. Hall as the internal auditor for the investigation. Commissioner Wright questioned where they will go now as a Board getting independent counsel for Ms. Hall, the Audit Committee and the Commissioners.

Commissioner Ure said he was confused. He asked Commissioner Wright if he was just giving the Committee report and then moving to Item 10 on the agenda.

Chair Di Pietro said that they were just going to approve the minutes.

Chair Di Pietro asked if there were any changes, there being none,

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

That the Board of Commissioners approve the minutes of the Special Audit Committee meeting held on February 17, 2016 as presented.

Motion carried unanimously.

Pension & Investment Committee

Commissioner Wright summarized the minutes: Had very good participation; started with Northern Trust and reviewed the Donated Funds portfolio as of February 11, 2016; reviewed the TCA portfolio for the same time period; Ken Ortner from the Broward Foundation discussed the \$430,000 endowment and discussed having a separate district fund which the committee approved; Pension Fund balance as of this date totaled \$313,625,218; he mentioned that they discussed having an RFP to shop for what else is out there. BH has had Segal Rogerscasey since 2006 and they have

done a very good job; however, there are other models out there that need to be looked at. OCIO is one of them. He said he was not asking for an approval today because there are some on the Board that still need to be educated on what exactly that model entails. Commissioner Wright thanked Lynn Barrett for going to Tripp Scott to get the opinion for the OCIO. The opinion is how the OCIO works for BH and how it fits. Although he and Ms. Barrett disagree on the language, she says it is restrictive and he feels that it would be custom built. Commissioner Wright said that the Board retains the fiduciary responsibility for the investment portfolio. He feels that it does not exclude BH from doing an OCIO model, but if they did do an RFP for it, it would need to be customized to make sure that the scope of the legal opinion is followed to the letter.

Commissioner Wright said he was going to throw Art Wallace under the bus. Commissioner Wright indicated that the one thing he knows as a business person is you cannot be married to a certain plan. Since Commissioner Wright has been on the Board, what he has observed is that BH has a system that is married to the current plan. He suggested that once everything is settled with the current issues, BH needs to move forward with an RFP. Much credit to Mr. Wallace who has put a lot of effort into taking care of the employees of the system but, at the same time, it is just bad business practice to become married to one certain way of doing business.

Commissioner VanHoose said she is not a member of the Audit or Pension & Investment committees but she was able to participate for informational purposes and she thanked Mr. Wright for always allowing and inviting the Board members to attend. What she does have a slight issue with is that there are seven Commissioners here that have a fiduciary duty and responsibility for oversight of this District and she wants to make sure that when approving minutes, they do not just unilaterally approve actions that take place in a committee meeting but it is a board item that is ratified by the entire Board. Commissioner VanHoose said that there are two items that she feels should be walked on for conversation today by the Board because they are mentioned in the minutes: The first action the Pension and Investment Committee recommended was to make a \$5 million investment in Wave Equity Partners L.P., \$3 million from the Unrestricted Fund and \$2 million investment from the Pension fund. Commissioner VanHoose said that she did not want that to be approved without a conversation from the Board and Commissioner Wright mentioned the OCIO.

Commissioner Wright said that he was not asking for approval of an RFP for an OCIO.

Chair Di Pietro said that approval of the minutes is not approval of action items and that was discussed back in 2012. If a committee has action items, they need to be placed on the Board agenda for approval. Commissioner Wright said that they have not done that procedurally before; for example, things that are approved to Fund Managers and for the Foundation. Commissioner VanHoose said she has a problem with that because they are not all voting members of a committee and she does not believe that committees can act unilaterally without full Board approval.

Commissioner Ure said it is not unusual for a Pension and Investment Committee to have some latitude specifically in a situation like this when there is a third party intermediary that does make an Asset Allocation recommendation and ultimate recommendation of individual managers for evaluation. He said he has seen some Pension and Investment Committees that do not have that full capacity and he has also seen where the Pension and Investment Committee have that capacity up to specific limits. He said that typically there is an investment policy statement and as long as that investment statement policy is something that the Board approved and they are working within the boundaries of the investment policy statement, it is not all that unusual to have something like this. Commissioner Ure said he did not know the individual nuances of a public system and

whether or not that type of practice is either allowed or normal. He does not know the answer to that question.

He said that he would not be part of an investment committee to operate outside of the boundaries of their asset allocation. He again stated that it is not unusual to see the Pension and Investment Committee have the latitude to operate within the boundaries of an Investment Policy statement.

Mr. Art Wallace informed the Board that they approved a revision to an Asset Allocation back in December 2014.

Commissioner VanHoose asked so is the process that this Board needs to recommend?

Chair Di Pietro said that Segal came down and gave parameters of moving money. Mr. Wallace said that there was a workshop in November 2014 which looked at revising the Asset Allocation and what kind of asset categories and what percentages BH was going to use in terms of investing BH's funds, whether it be domestic, large cap growth equity, large cap value equity or fixed income. BH has private equity; hedge funds which have worked out well; emerging markets; and international investments. BH has a complete and diverse portfolio and they work within those boundaries in terms of how much money BH has invested into any one category.

Commissioner VanHoose said it is more of a process that committees cannot act unilaterally without full Board approval. She said what she is hearing from Mr. Wallace is that for Pension and Investment, that is the case.

Commissioner Ure said that BH has a very long-term portfolio because there are very long-term liabilities associated with it. If it was the desire of the Board that these types of things come for ratification, he would venture to say that it trips things up from his perspective but he just wanted to opine that it is pretty normal for the Pension and Investment Committee to have that latitude to act.

Mr. Wallace said with regard to Wave and if they can wait until the March Board meeting, the closing date for that is March 31, 2016 so that it is right up against the deadline. He said that another item that they voted on was to terminate managers and take their funds and where to reallocate to so if the Investment and Wave needs to come back to the Board or the Board needs it to come back for ratification, perhaps they should bring those changes back too because they are talking about a lot more principle and investments than the \$5 million that is being moved to Wave.

Mr. Wallace said that BH has good investors who give good advice and BH's pension plan over the past five years is in the top one percentile. That is a good track record over the past seven years. If it is the desire of the Board to bring these types of decisions to the full Board for a vote, he would be happy to do so; however, it is not the process that they have employed in the past.

Commissioner Ure said from his point of view, he can safely say it's not broken here.

Commissioner VanHoose said she appreciates Commissioner Ure's insight and if BH has set a policy, then she is fine with it. She just wanted to check from a process standpoint.

Commissioner Rodriguez stated that BH is a public entity so there must be some difference between the private and public entities so BH must make sure that everything they do is within the law.

Chair Di Pietro asked if there were any changes, there being none,

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

That the Board of Commissioners approve the minutes of the Special Audit Committee meeting held on February 17, 2016 as presented.

Motion carried unanimously.

Mr. Wallace said as confirmation they will move forward with the Wave; changing of managers; and changing of funds. Chair Di Pietro said if that is how they have been doing it and he recommends it and that is prudent policy, it is fine with the Chair.

DISCUSSION AGENDA

7. Request consideration for the acceptance of the Interim Financial Statement for the month of January 2016

Mr. Art Wallace reported on the results of the financial statements for the month of January 2016: Gain of loss from operations; BH had a good month in the month of January from the operations, not including non-operating revenue and expense. BH had a loss of \$12,015,000 against a budgeted loss of \$13,475,000 or a variance of \$1,459,632. That is the best spread all year as far as gain of loss from operations.

Chair Di Pietro said that looking at year to date, BH is off budget by \$11.2 million. Mr. Wallace replied yes, but it improved by \$1.5 million in the month of January. Chair Di Pietro asked if they were to lose at the current rate at the pace that they are experiencing how long would it be before BH would have a real fiscal issue. Mr. Wallace stated that everyone needs to keep in mind that the gain of loss from operations in January is prior to the tax revenue that BH receives in order to support its uninsured programs. He indicated that BH always has a loss from operations prior to tax funds. The other question that begs to be asked is looking down at the investment income for the month; BH lost \$18 million in unrealized losses. If that happens every single month, and it is not going to, but that would be less than three (3) years BH would burn through its cash.

Chair Di Pietro questioned at the rate that BH is losing in operations, what level of urgency should the Board consider at this rate loss because the Board has had a policy of not increasing taxes since he has been on the Board. So assuming that ad valorem taxes are not going up, with that assumption, at the rate of loss, when would there be a financial issue. Mr. Wallace answered Chair Di Pietro and said that BH's loss from operations through the month of January is \$99 million and when you look at the unrestricted tax revenue that is used to support the losses, there is a spread of \$21 million. BH has \$600 million in unrestricted cash on the balance sheet as of January 31, 2016. Mr. Wallace said that BH has seven to eight years that BH can absorb those kinds of losses if they did not spend any money on capital, the \$600 million that they generate earnings and put it in the unrestricted cash so that they can turn around and put it on the capital projects. In looking at the capital projects: BH North is still awaiting completion at \$43 million remaining and there is \$30 million of the \$43 million in purchase orders; BHMC for the Children's project is at \$42 million remaining but the good news for that is the Salah matching grant will reduce that project and on March 15th, there is the ground breaking out at BHCS which is a two-year project at \$64 million.

Chair Di Pietro said that when he looks at the numbers and at the rate of loss, he came up that within 18 months BH could have a real financial crisis if the losses continue at this rate. Mr. Wallace said that if BH continues to have level of losses that it is currently experiencing, BH could bump up against a debt covenant and have an issue prior to 18 months. Mr. Wallace said that BH's bond holders would be coming to them asking what the plan of correction is going to be. The covenant is only measured once a year at the end of June 30th. BH is monitoring it.

Chair Di Pietro said he was worried about having a Jackson Memorial crisis in the next 18 months. Mr. Wallace said he does not believe that will happen. Chair Di Pietro said BH is spending a lot of money. He worries about sustaining losses is his concern and that is why he feels that BH needs to get into the right trajectory because BH cannot continue to sustain losses, especially with these huge projects at all of the regional hospitals. He said that BH is spending a lot of money on these projects and he realizes that they lose money every year because they are a safety net, but BH is still off budget and that concerns him along with the issue with the Bond.

Commissioner Ure said he shares the Chair's concern but from his review of some of the historical numbers, historically there is some cyclicalities that the Chair has correctly pointed out that does ebb and flow with the swelling of the population during this time of year, especially since the payer mix is heavily in BH's favor. He said going into this storm that has enveloped this system from the months prior to him coming on Board with respect to the CIA and the significant settlement that was paid, it is precisely because BH had a very strong financial position and a very solid balance sheet to weather this storm. Commissioner Ure said he has had experience dealing with rating agencies and he believes that BH is going to learn what Moody's position is and they spoke with Standard & Poor's today. The numbers are what the numbers are and he shares the Chair's concern but he does not look at it and say this is something BH can responsibly project out over a long period of time but it is something to clearly monitor.

Chair Di Pietro asked what the issue was with the Bond. Commissioner Ure said that every Bond debenture is going to have specific performance covenants and checks and balances in it with specific times and dates where that compliance needs to be.

Mr. Wallace said that he sends the bond rating agencies and banks and Bond trustees actual performance statistics on a quarterly basis. Chair Di Pietro asked what happens if BH does not meet those performance covenants. Mr. Wallace said BH would be told to put a performance improvement plan together where the actions of which would take BH to a point where BH is compliant with all of its covenants. BH would have to demonstrate that they are following that plan and demonstrate what the results are of that plan until BH gets to where they need to be.

Commissioner Ure said that the number ratio that Mr. Wallace is referring to is the debt service coverage ratio and one of the things that he has said when speaking on behalf of the Board to the rating agencies is that the financial struggles facing the system is something that BH takes very seriously. The Board's responsibility to all of its constituents, including its creditors, is something that BH takes seriously and that while over the last ten years they have had reduced reliance on public support, BH does have the flexibility to increase its public support should BH need to in order to bolster the financial strength of this organization. He said it is reassuring to know that BH has that latitude and flexibility.

Chair Di Pietro asked how close BH is to the covenant issue. Mr. Wallace said they are at .75 through January and BH needs to be at 1.15 or \$5 million short at this time. Chair Di Pietro said that BH needs to make \$5 million more before the fiscal year to be within its covenant. Mr.

Wallace explained the way that this is calculated is BH has a number called Maximum Annual Debt Service Coverage. In looking at every year that BH has Bonds left to pay, they would take the highest number and that is the Maximum Annual Debt Service Coverage. BH has structured its debt so that every year is about the same. The annual debt service principle and interest that BH pays is \$21.8 million. BH is seven months into the year and BH is 40 basis points short of its target and that equates to \$5 million. Chair Di Pietro asked if BH would be flat or have a negative trajectory that amount would be larger.

Mr. Wallace stated he wanted to inform the Board about the investment income and the unrealized gains and losses. When BH is calculating its compliance with its covenant, the calculations allow them to take their unrealized losses and add them back.

Chair Di Pietro asked again, if BH stays this way and with all of the capital contribution being put forth, if BH stays at this trajectory when will BH begin to see financial problems. Mr. Wallace said if BH trips its covenant, they will have a financial problem in July in terms of having to put a plan back together. However, he does not think that BH's covenants will allow BH to get to the point where three years from now BH has run out of cash. He believes that there is enough stop gaps in the process that will force BH to get it turned around prior to that. He said he does not have a carefully calculated number for the Board on that tonight. He said he would be happy to go back and look at it but it would be based on a number of assumptions where everyone may or may not be in agreement. He thinks that the entire process and the whole reason why BH has a Master Trust Indenture and supplemental indentures to every borrowing and swap and everything that BH does are set into place so there is a gate to stop BH from getting to the point that the Chair is describing to get BH back in the direction that it needs to go.

Chair Di Pietro indicated for purposes of the fiscal responsibility of the Board they have an imminent issue potentially coming up this July and there needs to be a change of action before July. Mr. Wallace replied correct. He advised the Board that Administration is monitoring this very closely and before Dr. El Sanadi's passing, Dr. El Sanadi, Kevin Fusco and Mr. Wallace visited each of the regions and talked about this and told them that if volume does not go up, BH will need to carefully manage expenses.

Chair Di Pietro asked if it would be a good recommendation from the Board to put off consulting services and agreements and put them under some sort of review in the audit committee to see where BH is spending money to possibly find some savings. Mr. Wallace said he did not think that would even require a motion. All the Board would need to do is direct Mr. Wallace to bring those agreements to the Board. Mr. Wallace said that if the Board brought in an independent consultant to put a plan of correction together to get BH back in the direction that it needs to go, he might be part of that plan. He would want to put the plan together but that is not how it works. The Bond holders want an independent qualified party to work with BH in terms of putting something together. The best thing that BH can do is to start right now and look at everything, including salaries, productivity, flexing, expenses and all of the discretionary expenses and every region has a plan put together. Mr. Wallace said that they are looking at collecting every dollar that they can; they are covering the bases, and looking into the fundamentals that any consultant who came to them would recommend that BH should do.

Chair Di Pietro asked if BH should look at all non-essential service agreements that it has with vendors in the next 120 days of review to see if BH can start slicing and dicing.

Commissioner Ure commented that he thinks that Administration has done an exemplary job of managing expenses so far and they are ahead of budget quite a bit. He does not think there is any misunderstanding about the seriousness of the situation and their response has been very swift and efficient. At the same time, there are some significant expenses that he would describe as non-recurring that you can look at a trend and say that would be something that they could easily forecast out of a long period of time.

Chair Di Pietro said that the most concerning is the Bond issue; it would be devastating. Commissioner Ure agreed.

Mr. Fusco commented that after they went out (Mr. Fusco, Dr. El Sanadi and Mr. Wallace) and met with the regions and emphasized the need to make sure that BH was focused on cost containment, the CEOs have done a fantastic job of bringing the budgets in and BH had two strong months in a row (December made budget and January exceeded budget). The requirement for cost containment falls with operations and does not fall in the purview of the Board to do operations. It is Administration's responsibility to manage the expenses and to toe the line.

Commissioner Wright indicated that if BH does not meet the debt covenant in June for the additional \$5 million, the performance plan also does not fall under the purview of the Board. It would be the advisor or consultant that is hired, is that correct. Mr. Wallace said the Board would certainly want to know what the consultant is working on and the ideas that they are recommending and certainly share that information with the Board. Commissioner Wright asked who would select that advisor or consultant to be part of the performance plan. Mr. Wallace suggested choosing someone now and be proactive and get the plan going. Even if BH trips in July, they can come and hopefully like the plan and like where BH is going. They can also say that BH violated it but they could waive the violation as long as BH sticks with the plan. Mr. Wallace said that they have done that in the past in situations where for one-time occurrences if someone has tripped the covenant they have turned around and waived the covenant violation. As an example, Mr. Wallace referred to how they accrued the Settlement to the OIG in September.

Commissioner Canada asked if Mr. Wallace's recommendation to the Board is to be proactive in this issue. Mr. Wallace said yes. Commissioner Canada asked if a motion would be needed to engage an independent consultant. Mr. Wallace said he did not think so, as long as the minutes reflect that there was a discussion and the Board has endorsed it. Mr. Wallace indicated they would come back to the Board with a proposal on who they would like to use.

Chair Di Pietro said his concern in looking at the financial statements is that last year BH made \$29 million more than this year and there is only so much BH can cut. BH is going in the wrong direction.

Mr. Wallace referred to the financial statements last year where BH saw a big jump in the compensated vs. uncompensated which was attributed to the Affordable Care Act (ACO) and so many people became insured. However, this year there is a big drop in the compensated admissions because so many have dropped out of the ACO. People who have previously been in the HMOs and PPOs are dropping into the exchange to replace the people that are dropping out. BH is seeing this in its numbers and the growth in its uninsured. This is a big factor in the financials.

Mr. Wallace said January was a better month for BH and there have been some reductions in the uncompensated emergency room visits which have reflected in a better month. BH experienced a rough month with its investments.

Chair Di Pietro said his main issue is the \$29 million in lost revenue. Mr. Wallace said BH's primary focus should be in growing its revenue.

Commissioner Gustafson asked if BH can still access what the competition is doing. Mr. Martin would bring some of that information to the Finance Committee meetings and he asked if that could be done again. Mr. Wallace said that he can get that information from the Florida Regional Health Planning Council. Mr. Wallace said he would bring some information back to the Board.

Mr. Wallace informed the Board that in his conversation with Standard & Poor's, they mentioned that the earnings are of course a concern but BH's balance sheet is still excellent.

Mr. Wallace reported that BH has 192 days cash on hand which has gone down partly because of the losses and the Settlement that has been paid as compared to FY 2015; BH has reduced taxes this year by \$5 million so about \$3 million reduction is reflected in the number which is about one day; AR days have gone up a little and a lot of increases are in areas that BH should expect to collect on especially in managed care and Medicare; cash to debt, BH has two and a half times cash compared to the debt level which is about \$235 million; debt to capitalization is 22%. He said that BH's covenants on these are about 65% as borrowing room. If the day should come that the Board decided to increase debt, there is a lot of flexibility. Mr. Wallace explained that the reason it shows 2.4 in the debt service cover ratio is because they recalculate this on a rolling 12-month basis which covers January back to last February. The average age of plant is still 16.7; capital spending ratio is 159% reflecting that BH has some big projects in place; excess margin is negative 8.8%.

Mr. Wallace then referred to the Community Benefit Summary which he discussed in detail. Seven months year-to-date BH has a deficit as to what BH has received to provide benefits to the uninsured and the underinsured in the community of \$71 million.

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

THAT THE BOARD OF COMMISSIONERS APPROVE THE INTERIM FINANCIAL STATEMENT FOR THE MONTH OF JANUARY, 2016.

Motion carried unanimously.

8. Request consideration to approve candidate Dr. Patricia Rowe-King as a member of the Board of Directors of the Broward Health Foundation for the remainder of the FY 2015-2016 term

Dr. David Ring presented item 8. He said it was his privilege to sit on the Foundation Board and congratulated all of the Distinguished Physicians who were honored today. BH certainly has a lot of them working in the trenches who are taking care of the patients in Broward County.

Dr. Ring said he was presenting a candidate for the Foundation Board, Dr. Patricia Rowe-King. Dr. Rowe-King has been a pillar at BHMC for a very long time; she is in the head pediatric department; she has been involved with all sort of hospital staff committees and just part of the

fabric of BH. Dr. Ring asked for her approval to serve as a member of the Board of Directors of the BH Foundation for the remainder of FY 2015-2016.

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

THAT THE BOARD OF COMMISSIONERS APPROVE CANDIDATE DR. PATRICIA ROWE-KING AS DIRECTOR OF THE BROWARD HEALTH FOUNDATION FOR THE REMAINDER OF THE FY 2015-2016 TERM.

Motion carried unanimously.

9. Request approval to authorize the Acting President/CEO to approve the purchase of the new equipment through the Group Purchasing Organization Novation in the amount of \$1,054,550 in accordance with Section 24 (1) of the North Broward Hospital District Charter for Broward Health Imperial Point. **THIS ITEM WAS PULLED FROM THE AGENDA.**

10. Motions made at Audit Committee meeting held on February 17, 2016:

- a) Motion to retain independent counsel to work with the Internal Auditor to review the Audit Committee Charter and report any recommendations to reflect best practices;

Commissioner Wright presented all the motions made at the Audit Committee meeting on February 17, 2016.

Commissioner VanHoose said that last week Greenberg Traurig did not really answer her question if the Board is legally able to hire outside special counsel and, if not, then there needs to be a conversation about amending the bylaws and Charter.

Ms. Barrett advised the Board that at the request of Commissioner VanHoose, Ms. Barrett introduced Mr. Kevin Hyde who can address this issue more fully than Greenberg did at the last meeting.

Chair Di Pietro asked Mr. Hyde what law firm he was associated with and where was his office. Mr. Hyde replied that he is with Foley & Lardner and he is located in Jacksonville, Florida. Chair Di Pietro asked if he flew down for this meeting. Mr. Hyde replied yes.

Mr. Hyde then presented the reasons why the Board does not have the ability to engage outside counsel. He referred to a comment previously made at today's meeting by Commissioner Wright with regard to delegating responsibility and not authority. He informed the Board that in reviewing the District's Charter and Bylaws, it appears to him that the direction of all legal affairs goes through the General Counsel.

Chair Di Pietro asked Mr. Hyde to give the Board some background information as to his experience in representing public hospital systems and governance since the Chair did not know him and he was from Jacksonville. Mr. Hyde responded and informed the Board that he has represented public hospitals, including US Health in Jacksonville, similar to the District; served as an elected official sitting in Board chairs dealing under bylaws and statutes and also the City of Jacksonville.

Chair Di Pietro stated that Greenberg Traurig's opinion is that the Board was not allowed to hire outside counsel. He asked if that was also Mr. Hyde's opinion.

Mr. Hyde stated that as he walks the Board through his presentation he will lead to that conclusion as well. He also mentioned that he did not read Greenberg Traurig's opinion and this was independent research on his own.

Mr. Hyde stated that it really comes down to three things: Charter, Bylaws and Employment Contract with Ms. Barrett.

- The **Charter** speaks to the role of the Commissioners as it relates to oversight and not management. Chair Di Pietro and individual Commissioners; that is, individual Commissioners but the Board acts as a whole. Chair Di Pietro asked if there was a prohibition on the Board acting to do anything; is that a fair statement? Mr. Hyde said you need to look at what the Board has already done in terms of delegating authority to its General Counsel which leads down to the General Counsel's employment contract. He agrees with the general statement that the Board is the body politic which acts; there is no action about that. Chair Di Pietro asked if it was his opinion that once the Board hires General Counsel then the Board cannot do anything as it relates to potential legal counsel.
- In Section 5.7 of the **Bylaws**, it states that General Counsel is specifically charged with duties which may be classified as direct and control the administration of the legal affairs of the District including the employment of all necessary personnel to ensure that the legal affairs of the District are conducted with the maximum efficiencies. Under Section 5.6 of the Bylaws, which speaks to the role of the internal auditor (comparing the General Counsel to the Internal Auditor), Chair Di Pietro asked when were those Bylaws written. Mr. Hyde replied they were revised on November 17, 2011. Under Section 5.6, it says that the Internal Auditor shall be the direct representative of the Board of Commissioners in the audit and review of the various District's operations and facilities.
- **Employment Contract with General Counsel.** Under Section 2.1 it states Ms. Barrett shall be the sole General Counsel of the District with all rights, duties and obligations set forth therein. It also says that she is not allowed to use her prior firm where she has been associated.

Mr. Hyde said that the basic conclusion is the reason that the issue has been raised is that when the Board is looking at the issue currently in front of them, the Board must act consistently not only with the District's Charter and Bylaws, but also the policy decisions that they are going to make. He said what he was pointing out was that this function in which the Board is engaging in, they have to make the decision between if this is management or oversight. Mr. Hyde said that under the Bylaws and under the Employment Contract given to the current General Counsel they have delegated that function of selection of counsel in the direction of legal affairs to Ms. Barrett as opposed to the Audit Committee.

Chair Di Pietro asked Mr. Hyde if he has read the Bylaws related to the Audit Committee's ability to retain experts. Mr. Hyde asked if the Chair was referring to the Audit Committee Charter to say Audit Committee Charter. Chair Di Pietro said yes and does that Charter allow the Board to hire an expert. Mr. Hyde said that Section 1 states hire experts to assist in special reviews as necessary. Chair Di Pietro asked if he thought that provision is prohibitive of having the Internal Auditor, who recommended that she needed legal assistance, and the District external auditor, who said they would not sign off on the District's finances, appropriate legal counsel, did he feel that there was a prohibition in that language? Mr. Hyde said that the Board needs to consider that there appears to be a conflict in that language. Chair Di Pietro said if there is

conflict in the law, as best practices, did he agree that there should be an independent Audit Committee as related to the North Broward Hospital District? Mr. Hyde replied, yes; however, that is not really the question as it relates to the selection of counsel. The Audit Committee is going to act and should act but the question is where it gets its legal support. Mr. Hyde stated that the Charter, Bylaws and Contract with General Counsel suggest that the support come from that office rather than an independent firm.

Chair Di Pietro asked Mr. Hyde if he believes it is Best Practices when an allegation, true or not, comes about from anyone in staff, that particular person being General Counsel, and appoint the legal team to evaluate them. Mr. Hyde responded that it is Best Practices to follow the District's Charter and Bylaws. Chair Di Pietro asked if the Charter and Bylaws are wrong, then Best Practice is to amend them. Mr. Hyde said it is certainly in the power of the Board to amend their Charter and Bylaws. Chair Di Pietro said he was just trying to find out who was in charge, the Board or management, because that is where they are threading the needle.

Commissioner VanHoose said that was why she has brought this up several times. If the Board needs to amend the Bylaws, then that is a conversation the Board should be having because she did not want to set a precedent that they go against their Charter and Bylaws. She reminded the Board that last year when Mr. Berger was advocating for Ms. Barrett's contract, she brought it up then if the Board wanted to hire outside special counsel. Commissioner VanHoose said that she continues to bring this up and if they need to amend the Bylaws and Charter, then that is the action this Board should consider first.

Chair Di Pietro agreed that the Bylaws and Charter should be amended.

Commissioner Wright agreed that this needs to be done and he asked the Commissioners what kind of time line they were on to get this done. His concern is that they are already into a month of an OIG inspection and they have the Internal Auditor who needs legal support.

Commissioner VanHoose said the one great thing that has happened is that the OIG has narrowed their scope and that was one of the reasons that Mr. Berger told them that they should have special counsel to talk with the OIG and help narrow the scope.

Commissioner Wright asked that they not just focus on the OIG because they may have narrowed their scope but next week the FBI can expand their scope. Commissioner Wright said a decision needs to be made tonight so that the Internal Auditor can have independent counsel.

Commissioner VanHoose said that last week when they had this conversation they delegated to Ms. Hall the IG investigation and that is why she continually brings up the IG investigation because that is the investigation that they publicly know about. That was the investigation that the Board delegated for Ms. Hall to be the liaison.

At this time, Mr. Mitchell Berger of Berger Singerman addressed the Board. Mr. Berger asked what happens when Moody's and Standard & Poor's calls and asks where is the District's independent procedures and if the District does not have independent procedures they are going to rate the Bond. There are independent procedures that are taken up when there is an issue of internal investigation. Mr. Berger reminded the Board that Ms. Barrett said in the last meeting (February 10th) she did not represent the Board, she represents the District, and she is correct. The Board has an oversight responsibility and that is what they need to exercise. Mr. Berger

advised the Board that they have the authority and have retained the authority, even under Ms. Barrett's contract, to exercise its oversight responsibility.

Mr. Berger then distributed a document outlining the Audit Committee's authority to hire outside counsel. He reviewed the document in detail which covered Article IV, Section IV-7 of the District's Bylaws; Article IV, Section IV-7 E(1) and Resolution 88-11-16-3 Audit Committee Charter. He advised the Board of the following:

- The Audit Committee has the authority to conduct investigations. Standing committees, which the Audit Committee is one, shall investigate and report on matters within their jurisdiction, either at the request of the Board, the Chair or on their own initiative except for those matters which are referred to another committee by the Chair of the Board. They have no power to act except as authorized by the Board or by these Bylaws. Article IV, Section IV-2.
- The Audit Committee Charter is designed to comport with the Sarbanes-Oxley Act governing public companies. He said that the Audit Committee Charter was amended by Resolution 06-09-27-2 on September 27, 2006 to adopt "certain Corporate Governance provisions that are modeled after the Federal Sarbanes-Oxley Act of 2002" regarding public company audit committee standards to include the authority of audit committees to "engage independent counsel and other advisers, as it determines necessary to carry out its duties." Mr. Berger stated that following the principles of Sarbanes-Oxley, the NBHD Audit Committee Charter authorizes the Audit Committee to "hire experts to assist in special reviews if necessary."
- The authority of the General Counsel over outside legal counsel is limited to the legal affairs of the District. The Bylaws do not give the General Counsel authority over the legal affairs of the Board. He then referred to Bylaws Article V Sec V-7-General Counsel.
- Highly regarded sources of best practices in internal investigations recommend that neither the general counsel of a company nor outside general counsel be employed for internal investigations of possible corporate wrong-doing.

Mr. Berger commented that if they do not want to hire him, hire someone else. In addition to the District's outside Auditor saying that they will not certify the District's audit, the Board needs to do something.

Commissioner Wright asked if that would include perhaps doing an Inter-Local agreement where they do a memorandum of understanding with another city or hospital system.

Mr. Berger said that the Board has a situation where they are debating how to proceed. The Board has people being interviewed. Mr. Berger said that the issue is for the Board to be a step ahead to protect the institution. BH just paid \$70 million last year because they were not a step ahead. He said that the government may not get it right and the District needs someone to understand what's going on so that the District can advocate to them so that maybe the taxpayers will not have to pay another \$70 million. He said that he is not saying that there is anything wrong but there have been serious allegations made in the newspapers recently. He said that the Audit Committee should have started this thing and not anyone else and then the District would have been able to have briefings through the 119 protection with an ongoing investigation. The District needs to get this back under control.

Commissioner Canada said she has no problem in making a motion to hire an independent counsel for the Audit Committee.

Commissioner VanHoose said the problem she has is that they have a legal team that says they do not have the powers to hire outside counsel and one that says the Board does have the power. Unfortunately, the one that does is also on the agenda for the contract; this is in her opinion, a conflict of interest. It makes it very difficult as a Board member to accept legal opinion when there are two separate legal opinions. That is why she keeps bringing up amending the Bylaws.

Chair Di Pietro stated that not talking about the Berger Singerman law firm, but speaking as a briefcase lawyer that goes to court every day, he found the argument made by the Foley law firm as laughable and that is why he got frustrated. He feels that for someone to say that the Board cannot exercise independent reviews is just laughable. There is no ambiguity and the Internal Auditor should have an independent team and the Board needs to support the Internal Auditor so she can conduct an appropriate investigation on anybody and everybody involved in this organization. There needs to be a level of independence that is separate and aside from everybody. Commissioner Wright commented that he and Ms. Hall have spoken and there are already issues where she does not have that independence and it is affecting the investigation.

Commissioner Ure commented that in his personal opinion he believes there has been a railroading of this process for this specific firm. This is what bothers him and makes him uncomfortable and that is the thing that he has tried to address in the motion that ultimately got passed by the Audit Committee. He said he was the only person that abstained and he did that primarily because he felt that presenting one law firm that has had the opportunity to admonish this Board on multiple occasions is not a very good practice. Because that for him, not the intention of the action, but the independence of the action by the independent Audit Committee was flawed. That was Commissioner Ure's personal opinion. He does not like things being handled this way. He wanted to make it abundantly clear that he does not want people coming in here telling us what they need to do and then be so gracious as to say and guess what, they can do it for you. Commissioner Ure said maybe that is how it worked in the past at the District but it is not going to be the thing that he supports.

Chair Di Pietro commented that he has employees calling him and he does not know what to tell them. He is the Board Chair and he can't tell them anything; I am not their lawyer. There is a sense of urgency and he senses it in the Board's Internal Auditor. He said he does not know what to tell Ms. Hall and he cannot give her legal advice and she is at a loss. Chair Di Pietro stated that the Berger Singerman law firm does not do any work for the District and if they do not work out, then after 30 days, the Board will get another law firm. In fact, this would be the first time that they chose a law firm because the Board never chooses a lawyer. Lawyers come up here from all around the state and give them opinions and they never pick them. Chair Di Pietro said if it is not Berger Singerman, and Mr. Berger is not a man of his word and does not help the District in the way that he should and Ms. Hall recommends that he be terminated, the Chair would be the first to say goodbye.

Commissioner Canada said that they continue to move ahead of the first motion which is, does the Board agree to hire outside counsel to support the Audit Committee? He said he was not talking about who that firm would be.

Commissioner Ure commented that this really got crystalized for him yesterday afternoon when he was in the office of a sitting member of the Senate who is a Democrat when he got so sternly

scolded about an action. Specifically his quote was “if this Board acts to put any buffer in between this system and the Inspector General, the District can kiss his support goodbye until every member of this Board is replaced.” For him, that was the most crystalizing comment that reinforced his already uncomfortable position with respect to this entire issue.

Commissioner Canada said she was sitting in the meeting also and her interpretation was entirely different. She did not interpret his comment as buffer to be an attorney. She did not.

Commissioner Ure said he actually said the Berger Singerman firm.

Commissioner Wright commented that Commissioner Ure feels he brought up a problem so what is the solution. Ms. Hall needs to go home knowing that she has independent counsel. If the Board does not come up with an agreement tonight on having Berger Singerman, then what is the option for doing an interlocal agreement?

Chair Di Pietro feels that the District is at a critical mass and he did not say that they are marrying Berger Singerman. The District will be signing a standard retainer agreement and every lawyer retainer agreement says that you have the right to fire me and they have the right to fire you for any reason or no reason. Berger Singerman does not do work for the District which he felt was critical. He said that he is not picking some lawyer off the street to come and do this. He feels that the District needs a real deal law firm to handle this and there is probably about half a dozen who can do it.

Commissioner Wright asked if they have done work for the District before. Chair Di Pietro said that they have but are not currently doing any legal work for the District today. Berger Singerman represented the District in its contract negotiations with General Counsel. Ms. Barrett said that they also did about \$120,000 in public records requests related to Dan Lewis.

Commissioner VanHoose said there is a conflict of interest in the sense that with the OIG investigation they are looking at contracts though the IG has narrowed their scope. The original conversation was looking at contracts going back to 2012 and during that time one of those contracts was Berger Singerman for public records and Ms. Barrett’s contract. To her, that is a blaring conflict of interest so when the Board keeps saying that Ms. Barrett cannot be a part of the process because she would potentially be investigating herself, potentially Berger Singerman is one of the contracts that is going to be looked at.

Commissioner VanHoose said that this conversation came up at the last meeting and they should have just made a recommendation to amend the bylaws or make a recommendation to hire special counsel and then this Board would then choose the requirements, medium qualifications, that they would want for an outside counsel. It is important to her that whoever they hire as outside special counsel, there not be any affiliations with the District in the past which may be very difficult so maybe that means the District should look at Miami/Dade or Broward. Commissioner VanHoose said she would like to find qualifications similar to Mr. Perez-Irizarry to being a former U.S. Assistant State Attorney—that comes with some qualifications. She said that those were the things that she was hoping the Board would look at and take those qualifications seriously as a Board.

Commissioner Canada said that the Board has not decided if they are even going to hire an outside counsel.

Chair Di Pietro asked Ms. Hall if she anticipates that there are going to be more interviews with the IG. Ms. Hall said that there are a few more. Chair Di Pietro said that Ms. Hall needs help and it is imperative that the Board do something.

Ms. Hall said that in an effort to engage special counsel, Ms. Barrett did engage Mark Thomas to accompany some of the District's employees to the interview. Ms. Barrett said he is the former Chief of Staff for AHCA and the former director of the Medicaid Fraud Control Unit. Commissioner Canada asked in what capacity he was hired. Ms. Barrett said she was asked to provide counsel if employees wanted counsel present when being interviewed when discussing issues with the IG. Ms. Hall said that there has been some concern as to how independent he really is but that is who she went with at the time of the initial interviews.

Chair Di Pietro commented that the employees complained about outside counsel. Ms. Hall said he was also not present for some of the interviews which caused some concern for the employees.

Chair Di Pietro asked Ms. Hall if she felt comfortable having the Board recommend Berger Singerman to assist her to work out some of the emergent issues and then she can bring them back with a further recommendation. Ms. Hall said she had no preference with any particular law firm; she just needs one as soon as possible who has the recommended qualifications.

Commissioner Rodriguez said this is really very sad. In his 30 plus years in public service he did not remember a public entity defending themselves from contracts. Hiring outside counsel makes it appear to him that the Board is saying they are afraid and they are guilty and something is happening. He said that he keeps hearing about transparency and he concurs with Commissioner Ure that it has been Berger Singerman week after week. The Board has a Governance Committee that reviews the District's Bylaws and if that is what is needed then the Board should revise the Bylaws. Commissioner Rodriguez said if they are going to have outside counsel then it should be put out for bid and he hopes that they can find someone from Alaska who will come to South Florida. One of the biggest problems that this hospital has had is the outside influence from every law firm in this town. He said that he came here thinking this was going to be the Board that was going to stop that and it has not.

Commissioner Wright said that one of the options he was told that they could do was an Interlocal Agreement. Ms. Barrett said that it could not be done because it is a defined subset of services that are subject to an Interlocal Agreement and generally legal services is not among them.

Chair Di Pietro asked for a motion on Item 1:

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

Discussion:

Commissioner VanHoose said if it is the choice of this Board to have Special Counsel that it is their duty to do that, but they have to make sure that they are not setting a bad precedent.

Commissioner Canada said that it is based on interpretation. She is not saying that they not amend the Bylaws and Charter in the future to make it clearer, but her interpretation is that there is not an issue that they are able to do this. She said that they can agree to Motion 1A and then

also amend the Charter to make it clearer making it more comfortable moving forward, but she does not believe there is a conflict now.

Commissioner VanHoose called the question 1A. She said that she will be voting NO for reasons already discussed.

THAT THE BOARD OF COMMISSIONERS APPROVE THE MOTION TO RETAIN INDEPENDENT COUNSEL TO WORK WITH THE INTERNAL AUDITOR TO REVIEW THE AUDIT COMMITTEE CHARTER AND REPORT ANY RECOMMENDATIONS TO REFLECT BEST PRACTICES.

Roll call showed:

Commissioner David Di Pietro	Yes
Commissioner Rocky Rodriguez	No
Commissioner Maureen Canada	Yes
Commissioner Joel Gustafson	Yes
Commissioner Darryl Wright	Yes
Commissioner Sheela VanHoose	No
Commissioner Christopher Ure	No

Motion carried 4-3

b) Motion to recommend to the Board that the Berger Singerman law firm be retained as special independent legal counsel for the Audit Committee to work with the Internal Auditor on the IG review and other investigations as necessary; and

Chair asked for a motion on 1B:

Commissioner VanHoose said that she stands by her comments of last week and she sees a glaring conflict of interest with the Berger Singerman law firm since they were on contract with this District for the period of time that contracts were under investigation.

Commissioner VanHoose said she also did not understand why as a Board they did not have a conversation about potential Independent Counsel which they started to have last week. It was the requirement that each of them would like to see in an Independent Counsel to work with the Audit Committee. Berger Singerman was recommended but not all of the members of this Board sit on the Audit Committee. That recommendation came to this Board through the Audit Committee without many of them having a vote.

Chair Di Pietro said he appreciates her comments. He said he knows that Mitchell Berger has been speaking but Melanie Hines is who they are hiring.

Commissioner Ure reiterated that in his personal opinion he believes there has been a railroading of this process for this specific firm. He said this does not feel good and he has to believe that to the public it does not look good. He said he has no doubt that Mr. Berger is a wonderful person and he has never met the man. Commissioner Ure said his remarks are not a condemnation of the firm but of the process and how this gets done. He said he believes it is irresponsible.

Commissioner Rodriguez commented that he concurred with both Commissioners VanHoose and Ure this sets a bad precedent and it goes against what he would say is an appearance of a conflict and transparency. Commissioner Rodriguez said he would vote no.

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

THAT THE BOARD OF COMMISSIONERS APPROVE THE RECOMMENDATION TO THE BOARD THAT THE BERGER SINGERMAN LAW FIRM BE RETAINED AS SPECIAL INDEPENDENT LEGAL COUNSEL FOR THE AUDIT COMMITTEE TO WORK WITH THE INTERNAL AUDITOR ON THE IG REVIEW AND OTHER INVESTIGATIONS AS NECESSARY.

Chair Di Pietro invited Mr. Joel Mutnick to speak.

Mr. Mutnik said he is one of the external auditors who sit on the Audit Committee and has done so for over 25 years. He said that they have faced lots of issues but never in his career sitting as an independent CPA has he ever seen anything like what he has been reading about. He strongly believes and seconded last week's motion at the Audit Committee to hire Berger Singerman, mainly because they were here and this is something that they should have been addressing for the last month. He said now he is hearing that there is going to be a Special Board meeting on March 16th and maybe the District can have four or five other firms come before the Board to sell themselves; however, the District does not have the time. He said that Ms. Hall works for the Audit Committee, reports to the Audit Committee and needs help right now. Mr. Mutnik asked the Board to listen to what the partner at KPMG had to say last week. He said that he would take responsibility himself if the Berger Singerman firm does not work out in this original evaluation of the investigation but somebody needs to get in touch with the IG.

Roll call vote showed:

Commissioner David Di Pietro	Yes
Commissioner Rocky Rodriguez	No
Commissioner Maureen Canada	Yes
Commissioner Joel Gustafson	Yes
Commissioner Darryl Wright	Yes
Commissioner Sheela VanHoose	No
Commissioner Christopher Ure	No

Motion carried 4-3.

c) Motion to recommend to the Board that Berger Singerman work with the Internal Auditor to develop a proposed budget for the Audit Committee to properly respond to the IG investigation, including related legal costs.

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

THAT THE BOARD OF COMMISSIONERS APPROVE THE RECOMMENDATION THAT BERGER SINGERMAN WORK WITH THE INTERNAL AUDITOR TO DEVELOP A PROPOSED BUDGET FOR THE AUDIT COMMITTEE TO PROPERLY RESPOND TO THE IG INVESTIGATION, INCLUDING RELATED LEGAL COSTS.

Roll call vote showed:

Commissioner David Di Pietro	Yes
Commissioner Rocky Rodriguez	No
Commissioner Maureen Canada	Yes
Commissioner Joel Gustafson	Yes

Commissioner Darryl Wright	Yes
Commissioner Sheela VanHoose	No
Commissioner Christopher Ure	Yes

Motion carried 5-2.

Commissioner Ure said that he voted for this motion in the Audit Committee because that is the responsible thing to do. I voted against the motion above because it would have negated option 3. If this Board is going to go down the process of hiring a firm under these circumstances, which he did not support, he does support at the very least developing a proper budget.

Commissioner Wright asked if the budget is approved by the Audit Committee. Chair Di Pietro said it should go back to the Audit Committee. Mr. Berger will work with the Audit Committee and the budget and try to reduce their rate to a competitive rate because it is a public responsibility and he hopes he can gain the confidence of all the Board members. He said this is first and he will need the cooperation of all of them in order to protect this Board and organization. Mr. Berger said if there is nothing there, which he hopes, the best thing is to have Melanie Hines get up and say there is nothing there.

Commissioner Ure said he wanted to be clear. This is not him having an issue with his firm. He does know him and he has never worked with him. It is not an issue of a lack of trust in Mr. Berger or his firm. The issue Commissioner Ure has is with how this was done. This is why he asked Mr. Berger last week if he thought he felt that it was a best practice to evaluate the qualifications and capabilities of more than one law firm. Commissioner Ure said he recalled Mr. Berger's answer to be yes. What the Commissioner was pointing out is that it is not what happened.

Mr. Berger said that he accepts his remarks and let us just agree to disagree with the urgency of the situation for now.

11. Update on all public records requests from the media

Chair Di Pietro said this was placed on the agenda because the Chair had been reading in the paper that public records requests are not being timely produced. The Chair wanted to know where BH was in producing those requests.

Ms. Barrett reported that BH had received over 50 public records requests over the month, if not more, and they have processed and they have produced more than half. Some of the requests are relatively easy but many are very complicated –all emails from x party to y party over a certain amount of time and one request in particular is taking several weeks. They are processing them as timely as possible and getting them out as quickly as they can while making sure they abide by all of the regulations.

12. Review of Hill & Knowlton contract

Chair Di Pietro said this was another PR firm and he was curious to know when they were hired; how many PR firms does the District have; what is the cost to the District; and who hired them.

Mr. Fusco said he hired them and the cost is \$45,000 for three months. Chair Di Pietro asked how many PR firms did the District currently have. Mr. Fusco said just one. Chair Di Pietro

questioned if the quotes made by Hill & Knowlton in the newspaper spoken for the District, was that true. Mr. Fusco replied correct.

Commissioner Canada said that the District has a newly formed Marketing Committee and she spoke with Doris Peek this morning and she was not fully aware of the hiring of this firm. She asked if administration could keep them in mind going forward when hiring a PR firm.

Chair Di Pietro said there was some ambiguity in whom Hill Knowlton was representing. Were they representing the Foley firm and Broward Health? Mr. Fusco said they were representing Broward Health. The Chair asked if they were recommended by the Foley firm. Mr. Fusco replied, no, they were not.

13. Total amount paid to Foley & Lardner by Compliance Department and General Counsel's Office – June 1, 2015 to date

Ms. Barrett distributed a document showing that Broward Health paid Foley & Lardner \$1,553,325.16. There was also an explanation of expenses. Ms. Barrett said that the legal fees were broken out and one of the items in October was specific to the opinions and advice related to the settlement; the ones from May to August were not broken into legal and compliance so it was just one bill for all of their services. Dr. El Sanadi then requested that they be broken out into legal and compliance; that is why there is a difference in the numbers. Foley has also been the key implementers of the CIA so just related to that, they listed some of the things that they have helped to implement.

14. Total amount paid to Greenberg Traurig - June 1, 2015, to date

Ms. Barrett distributed a document showing that Broward Health paid Greenberg Traurig \$1,648,019.12. There was also an explanation of expenses.

Chair Di Pietro indicated that both of these law firms amount to \$3 million.

Chair Di Pietro stated that since he has been associated with the District, the Board has not exercised any discretion over the selection of law firms. The Chair asked Ms. Barrett how many lawyers have been hired. Ms. Barrett said six (6), including her.

The Chair expressed concern that the legal bills are completely out of control. There have been two law firms in less than a year for a total of \$3 million. Ms. Barrett explained one of the expenses on the Greenberg firm was the heavily weighed amounts in the beginning of the year vs. when Ms. Barrett arrived. They went from \$565,000 to \$40,000 and \$44,000. She explained that when she came on board, she was made aware that Dr. El Sanadi had requested that Greenberg do a review of a substantial number of contracts, just paper and not supporting material. She stated the bills from Greenberg have gone from \$565,000 in April and \$240,000 down to \$40,000 which is a significant reduction in bills.

With regard to the Foley bills, they increased because they were the key implementers in helping BH implement the CIA with the assistance of Heidi Sorensen who was with the OIG for 8 years. She indicated that Donna Lewis could also speak to her satisfaction with that process. Ms. Barrett said that the bills did increase in the last few months but they should be lowering since they have met all of the targets and now it is going to be a lot easier to bring much more in-house since most of the heavier lifting has been completed with the assistance of Foley.

Chair Di Pietro asked what was the top rate for Greenberg and Foley. Ms. Barrett said Foley charges \$495 but she did not know what Greenberg charges.

Commissioner Ure commented that they just identified the reason why they just hired a law firm (Berger Singerman) as a response to an extraordinary measure. He said he has not been here through all of these things but he felt it was safe to say that Broward Health has had some pretty extraordinary measures and competent legal advice is very important through all of those things as it is going to be through this IG investigation.

Chair Di Pietro said these bills do not even cover every other law firm and it is not for the entire year so between the two law firms (Foley and Greenberg) Broward Health is going to possibly reach \$4 to \$5 million just for law firms.

The Chair recommended considering an RFP for legal services. He said that he has seen a Foley Lardner retainer agreement with the top rate of \$695 and he feels Broward Health could do better than that. He does not believe that government agencies should be charged \$695 an hour for their services unless it is for an extraordinary measure. He feels that this is runaway lawyering with no governance from the Board. Chair Di Pietro expected the legal bills to be around \$1 or \$2 million and expressed his concern that the legal bills are out of control. Chair Di Pietro commented that the Legal Department needs a budget every year and they need to comply with it.

Commissioner Ure commented that he thinks what the Chair said is something that he was trying to get done before hiring the last law firm and that it come up with a process and have something that the District can defend. Commissioner Ure said that the Chair said exactly what he asked for last week. The District has some very extraordinary situations here and it is requiring some extraordinary measures.

Commissioner VanHoose said this has been a problem for a while and she has heard Chair Di Pietro express his concern over legal expenses in the past.

Chair Di Pietro feels that the Board needs to start controlling its legal costs. The Board has never done it. The Board never gets retainer agreements; they do not know what firms' fees are; and they do not know what services they are providing the District. Chair Di Pietro agreed with Commissioner Ure that this Board needs to come up with a process for the selection of law firms at least on an annual basis where it is brought before the Board, it's renewed, the rates are verified, and the scope and budget are given to the legal department.

Chair Di Pietro asked Commissioner VanHoose if she agrees to talk about a process to look at the District's legal fees and how to control them; send out an RFP for legal services; have a selection process where staff recommends the law firms to the Board; and look at hourly rates and talk about a legal budget.

Commissioner Wright said he noticed that in the Foley Lardner bills some of the bills are under both legal and compliance and then there are some legal bills charged under compliance. He did not think that they put any legal fees under compliance. Ms. Barrett explained that Dr. El Sanadi requested Foley and Lardner to try to separate, which was difficult because there was a lot of overlap, what was pure compliance working on the CIA and what was legal.

Commissioner Wright asked if someone could provide an analysis of where the fee level for the District was last year.

Chair Di Pietro said the legal department needs to come up with a budget showing their in-house capabilities, what they need to outsource and what are the best rates that they can negotiate and send it out to the legal community and have law firms to solicit the work saying that they have competent portfolios and they can do it at this competitive market rate and allow the District to get the best deals from a lot of law firms.

Commissioner VanHoose informed the Board that she will place on the Legal Review the following items for discussion: What do other public hospitals do for legal affairs matters; an update on how much has been spent previously and now; also what their in-house capabilities are.

15. Report and update from Wayne Black

Chair Di Pietro asked Mr. Berger what he suggested the Board do regarding this item. Mr. Berger said his recommendation was that they would be able to speak with Mr. Black and then use the 119 procedures to brief each one of the Commissioners independently. That is what happens in an independent investigation. Mr. Berger stated not to lecture the Board but where this has gone off track is that it started with the CEO when, in fact, it should have begun with the Audit Committee.

Mr. Wayne Black said it was never his intention to speak about an ongoing investigation. He totally agrees with what Mr. Perez Irizarry said before with a slight correction because he talked about HIPPA and medical records. Mr. Black said that he had nothing to do with those two items. However, Mr. Black wants the Board to know and that is why he sent them the confidential memorandum about his concern about evidence. He felt that the Board needs to know what is going on since Dr. El Sanadi's passing his fiduciary responsibility for the time being until he gets a chance to work with the Audit Committee as to the Board.

Mr. Black said that in the 40 years that he has been doing investigations with law enforcement in a private practice and in the 20 years that he has been doing corruption investigations, every time he made a criminal referral in a corruption investigation, that has resulted in a conviction in state or federal court 100% of the time, including at this District with the CFO a decade ago, and he does not change that record. He also will not allow anyone to interfere with that record.

Mr. Black informed the Board that since August, starting in February 2015 and then again in August where he signed the last contract with Dr. El Sanadi, he is under contract as the District independent investigator. He has an active contract that has been lost in the media because of the false representations of the District General Counsel's office that he was fired. Mr. Black said the Board now knows that is not true. Contrary to what Greenberg has said in a letter, Mr. Perez Irizarry informed the Board that he did not fire Mr. Black.

Mr. Black informed the Board that his corporate lawyer, Bill Richie, wrote a demand letter to legal and to Greenberg for someone to retract that statement and, as of yet, no one has corrected that record. If the Board wants to disconnect his contract, the District is required to do that in writing.

Mr. Black indicated that due to the publicity he is getting two or three phone calls a day from employees who are afraid to come forward and they are afraid to get fired. They tell him that they will give him information if he refers them to this agency and he does that. If they do not want their name told he sends a referral to Carlos Perez Irizarry or he sends it to a federal agency or IG's office. Mr. Black said when the District is in investigations and all these internal issues and the CFO gets fired and then a Compliance Director is fired, no wonder people are ringing his phone off the hook. People are afraid to come forward and do the right thing and they should not be afraid.

Mr. Black said the options are a problem for the District. What is the thought process to fire the CFO and Compliance Director because they told them the truth or he did not tell the truth. He said in all of his experience he has never been obstructed and interfered with and removed from an investigation like he was in this case by the District's General Counsel and Foley firm. He said the Foley firm demanded that he tell them the names of witnesses that he referred to law enforcement agencies which he refused to do. They wanted him to sign a Kovell letter that restricted him from talking to people, which he refused to sign. Mr. Black stated because of that when he wrote the private note to the Board telling them about his concerns about jeopardizing the investigation someone from the legal department had one of their law firms make up some lies about him saying he was fired. He asked the Board to stand up and do the right thing-it is about fundamental fairness. He wanted to see the paperwork showing that the District's corruption investigator was fired.

Commissioner Wright asked Mr. Black if he made a legal action against the District's General Counsel because he desires a public retraction that he was fired. Mr. Black said he wants someone to tell the truth and his corporate counsel has no intention to sue the District; however, the goal was when they put Greenberg and the District's General Counsel on notice to find out who made up that lie about him being fired because he was rude and failed to do his investigation and terminated in October. Mr. Black asked if he was terminated in October what was he doing talking to Dr. El Sanadi in December and January about pending investigations. He wants the record corrected.

Mr. Berger said this is usually not handled at a Board meeting. It is handled by the investigator and the lawyer and then the Board is briefed appropriately and brought in appropriately and it is usually under the function of the Audit Committee and there is a general trust about how to move forward to be fully compliant but also to be protected so that the District will not have to pay another \$70 million fine, there is a way to explain this to the government.

Mr. Black informed the Board that investigators in Florida have a statutory privilege and his licensing statute specifically licenses him to gather evidence for criminal and civil court. It is in the statute. He is an expert in corruption investigations and handling evidence and he was blocked from doing that notwithstanding his statutory privilege.

Commissioner Ure indicated that what he is hearing from Mr. Berger is that whatever Mr. Black was brought on to conduct and however he was brought on to do what he was brought on to do was not done properly. Mr. Berger replied yes. Commissioner Ure said to him that is a really fundamental point and his belief from hearing what Mr. Berger has said is that Mr. Black's services should have been retained in a different fashion to handle the preservation and protection, privileges, 119 and all of the legal things. Commissioner Ure asked why Mr. Black did not make that recommendation. Mr. Black said because that is not the way that it is done. He said this is the first time this has come up. In Memorial, Miami Children's, Jackson and

University of Miami he is hired by the General Counsel typically and he briefs the CEO and General Counsel. In addition to the attorney-client privilege, they have a statutory privilege for investigations so there is no privilege issue. When this contract was signed, it was reviewed by a member of the bar, Ms. Dionne Wong, and it is a standard contract and he did not change it. He signed the District's contract in good faith. Mr. Black commented that what the Board does not know is what was the scope of work that he was hired to do. He said Dr. El Sanadi asked him to be Director of Security because the District did not have one and he declined. In the meantime, he looked at his concerns, rumors and allegations. Half of them were proved or disproved.

Commissioner Ure said that the first time he heard of Mr. Black was in the email and you referenced an IG investigation that you became aware of before Commissioner Ure became aware of it. Mr. Black said it was a public record document in Tallahassee. The reason he did not know is because it was a confidential investigation. Commissioner Ure questioned how Mr. Black reported his findings because they never came to the Board and he asked if anyone on the Board heard of Mr. Black before this.

Mr. Black said he went around with Mark Sprada did an access survey, the District has recommendations in writing; the District has another memo regarding CDTC and things that he found; however, what the District does not have is the 119 exemption that is still an ongoing situation. Mr. Black said until Dr. El Sanadi passed, he was reporting to him and Mr. Black thought Dr. El Sanadi and Ms. Barrett were reporting the information to the Board.

Commissioner asked Mr. Black back in October what was communicated to him and by whom. Mr. Black replied nothing was communicated to him by anyone. The first he heard that he was terminated was when he read it in the paper. Commissioner Ure asked if he was charging for his services. Mr. Black said yes and he still is. Commissioner Ure asked if he billed for October, November and December. Mr. Black said, no, he was travelling, but the work that he has done recently, he billed for half of the time at a reduced rate and Carlos Perez-Irizarry had that bill and the District paid that bill two days before the 10th of February. Commissioner Canada asked how much was that bill for? Mr. Black said about \$16,000.

Mr. Black said that if he gets report of a crime he will notify the appropriate law enforcement agency. Mr. Berger said that he would be notifying him and then they will call the appropriate agency. Mr. Black did not think that was the proper way; however, Mr. Berger disagreed. Mr. Berger said this is really important and this was probably what Ms. Barrett and Foley's concerns were if it goes directly to the FBI and the District does not have a chance to understand what happened, the District would be reacting to what is in the newspaper. He said if there are employees who are speaking with Mr. Black, he needs to know about it.

Mr. Black said he has not interviewed or spoken to any employee until this broke in the paper. Every witness that they referred to law enforcement was non-employee. His agreement with Dr. El Sanadi, and it still stands today, was that he had untethered ability to report any violations or suspected violations of any crime to a law enforcement agency that had jurisdiction. Mr. Black said that was not going to change. If someone talks about a federal crime and they are a non-employee he will give them the number of the person at the agency.

Commissioner Gustafson asked who is the client. Mr. Black said the contract says Broward Health. In lieu of the contract that you entered into with the former CEO, who did he think he should report to now? Mr. Black said since Dr. El Sanadi died, he was reporting the information to Mr. Carlos Perez Irizarry who is the perfect person because he knows how to deal with it. If it

had to do with a certain agency that was a contract deal, he would report it directly to the IG's office.

Commissioner Ure asked Mr. Black if he thought his dealings with Mr. Perez Irizarry have been cooperative. Mr. Black said he has been fantastic.

Mr. Berger said that management decided to investigate the company without the Board knowing about it and that is why the Audit Committee had been reconstituted tonight. Internal investigations are done by the Audit Committee.

Mr. Black said he did make those referrals and he did not do an internal investigation and he hoped that added some clarity.

Commissioner Ure said they speak about optics and best practices and there have been a variety of discussions all of which he agreed with; however, he is concerned about Mr. Black's manner in which he conducted himself due to his experience. He questioned why Mr. Black did not inform Dr. El Sanadi that this is not the correct way to conduct this investigation. Someone comes to you like that and asks you to conduct this investigation, why did you not say this is the right way to do this because, according to Mr. Berger, it was not set up the right way.

Mr. Black disagreed with Mr. Berger's opinion.

Commissioner Ure said when he sat down with Ms. Hall she was briefing him on a variety of things as she did everybody. Commissioner Ure stated that Ms. Hall personally expressed concern about the manner in which Mr. Black was conducting the investigation. The reason the Commissioner had these questions was to understand what the best practice and process was because it was not followed. Mr. Black said it was followed. Mr. Black explained that he and Dr. El Sanadi met with officials and told us what they wanted them to do. They wanted the evidence given to Mr. Black so that he could give it to them. By the time that Dr. El Sanadi had reported outside witnesses, he had already made those referrals to the criminal investigative agencies. He explained that the reason that is done is so there is no inference of impropriety and no cloud around it. Mr. Black made it very clear that he is never, with Mr. Berger or without Mr. Berger, going to run the names or provide the information of non-employees by anyone here before he asks those witnesses to go to a law enforcement agency. That is called interfering and obstructing. Mr. Black reiterated that this is the first time in 20 years of doing corruption investigations where the General Counsel has stepped in and taken away his ability to gather evidence.

Commissioner Ure asked Mr. Black if it would surprise him to know that it was Ms. Hall who raised the red flag with concerns with respect to what he was doing and she was relieved when she found out that she no longer would have to deal with him. Commissioner Ure said he was trying to make sure that they do things the right way and give Ms. Hall the comfort that she needs. Mr. Black said that the Commissioner was painting a picture that is not germane and it did not happen. He had two meetings with Ms. Hall. Ms. Hall responded with all due respect in terms of the process, he mentioned the FBI and that made her uncomfortable because she did not know what his process was. Mr. Black said he asked Ms. Hall if she would go with him to the FBI at their request and that made her uncomfortable. Ms. Hall then said to refer this to legal since the FBI was involved and she did not know if anyone else knew about this.

Mr. Berger said he was not denying what Mr. Black and Dr. El Sanadi did; however, the Charter clearly states that internal investigations are to be conducted by the Audit Committee and not the CEO.

Mr. Berger advised the Board that he will need everyone's cooperation because they want to be completely transparent and get out ahead of this and he needs to know everything that is going on and Mr. Black will tell him everyone that he has referred to the FBI. Mr. Black responded that he will not. Mr. Berger responded by saying that will be a problem but he will discuss it with the Audit Committee as well as the FBI.

Commissioner VanHoose commented one of the things that concerned her that was said by Mr. Black is that there are employees out there who are afraid to come forward because they are afraid of getting fired; that is a problem. This is something that the Board needs to digest and then work with Mr. Fusco, Ms. Hall and Ms. Barrett and Mr. Singerman. The Board really needs to take a stand on this.

Commissioner Canada commented that what's fair is sometimes not because the employees have done something wrong; it is because the environment has become so accusation-filled lately.

COMMENTS BY COMMISSIONERS

Commissioner VanHoose said that when they were going through the privileges, Dr. El Sanadi's name was on a lot of that and it was another reminder that it has been a rough four weeks. She commented that Dr. Yogel is not present today but they had a great conversation last week and the one thing that she wanted to reiterate was that he said in spite of all of the chaos that has been happening, the reality is that they are still saving lives every day and BH's Care Warriors on the front lines are doing great things in the hospitals. Commissioner VanHoose thanked all of the physicians, nurses, CEOs and everyone in the hospitals for all that they are doing. They are getting us through this and she cannot thank the Care Warriors enough for everything that they are doing.

Commissioner Rodriguez shares Commissioner VanHoose's comments. He thanked everyone for all that they do in saving lives. He said when you are right no one remembers but when they think you are wrong no one forgets. The Board remembers that they are out there doing the work and the Board loves all of BH's employees.

Chair Di Pietro said it was a tough meeting and he hoped that he chaired it well. He also wanted the Board members to know that he appreciated and respects all of the comments.

Commissioner Canada wanted to let Mr. deGroot know that hope is always a very good thing, especially in the medical industry. She stands by what she said that she is hopeful and looking toward a positive future as they turn this corner.

Commissioner Ure said he wanted to be crystal clear on the importance of not just talking the talk but also walking the walk. He does not want to have conversations about best practices and all of these things after they do something that did not follow the best practice. He said a lot of what has happened has made him very uncomfortable and very uneasy. Things that they read in the paper and all that is going on has him extremely on edge and it has him particularly hypersensitive and is particularly concerned how they use the optics; the optics are not good.

SHADE SESSION

At 9:50 p.m., the public meeting recessed into a Shade Session re: Carly and Brian Walker, individually and as natural parents and guardians of Camryn Walker, a minor vs. Channing B. Coe M.D. OB/GYN by the Sea LLC, Pouliot Coe and Fahey, M.D. LLC and NBHD d/b/a Broward Health Medical Center, Broward Circuit Case No.140915901 (21), Judge Cynthia Imperato.

Present for the Shade Session were: Commissioners David Di Pietro, Chair; Rocky Rodriguez, Vice Chair; Joel Gustafson; Christopher Ure and Sheela VanHoose; Lynn Barrett, ESQ, General Counsel; Kevin Fusco, Acting President/CEO and Defense Counsel Richard T. Woulff, ESQ.

At 10:10 p.m. the public meeting reconvened.

NEXT REGULAR BOARD MEETING The next regularly scheduled Board of Commissioners' meeting will be held on March 30, 2016 at 4:00 p.m. in the Corporate Office, 1700 NW 49 Street, Spectrum Complex, Fort Lauderdale, Florida.

Meeting adjourned at 10:45 p.m.

Respectfully submitted,
Maureen Canada, Secretary/Treasurer

BY: Maryanne Wing

A FULL RECORDING OF THIS MEETING IS AVAILABLE ON TAPE