

**NORTH BROWARD HOSPITAL DISTRICT
BOARD OF COMMISSIONERS'
REGULAR MEETING
Broward Health Corporate
Spectrum Site-
1700 NW 49 Street,
Fort Lauderdale, Florida
July 27, 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 Broward Health Corporate, Spectrum Site: 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 Rodriguez called the meeting to order at 4:15 p.m.

ROLL CALL

Commissioners:

Present: Commissioner Rocky Rodriguez – Chair
 Commissioner Christopher Ure – Vice Chair
 Commissioner Maureen Canada- Secretary/Treasurer
 Commissioner Joel Gustafson - Board Member
 Commissioner Sheela VanHoose– Board Member
 Commissioner Linda Robison– Board Member

The Pledge of Allegiance was led by Commissioner Linda Robison.

RECOGNITION OF SHINING STARS: The following employees were recognized at 1st quarter shining stars: Anne Pierce, Mental Health Counselor, Lauderdale Lakes Health Center, CHS; Lisette Candelario, Triage Nurse, Pediatric Primary Care CDTC; Barbara Gershon, Quality Management Specialist, BHCS; Almira Biggs, Nutritional Services Assistant, BHMC; Lauren Patterson, Pool SW Position Med/Surg Flood BHIP; and Rusty Parungao, Sr. Medical Technologist, BHN. Chair Rodriguez presented each with a plaque.

COMMENTS FROM AUDIENCE:

Mr. John deGroot a Broward County resident and former employee in the Attorney General's office distributed some financial data to the Commissioners. Some time ago, Mr. deGroot conducted a statewide study with a focus on hospitals in south Florida which was widely circulated among hospitals and Tallahassee. He has chosen to revisit that study with a focus on hospitals in Broward County. Highlights of the study: BH is making a significant profit from tax revenue collected to cover the cost of indigent care; making a profit on taking care of Medicaid

patients; it has reduced the load of the District's low income patients but has not reduced the tax revenue to match the reduction in low income or indigent care; and charged that BH is engaging in unfair competition with hospitals in its market area. Mr. deGroot will be providing the information to the Governor's Inspector General.

APPROVAL OF MINUTES: Chair Rodriguez requested a motion to approve the minutes of the regular Board of Commissioner held on June 29, 2016.

1. Request approval of the Minutes of the Regular Meeting of the Board of Commissioners held June 29, 2016.

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

THAT THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS HELD ON JUNE 29, 2016 BE APPROVED AS PRESENTED.

Motion carried unanimously.

MEDICAL COUNCIL AGENDA

2. **BROWARD HEALTH IMPERIAL POINT**

Dr. Lewkowitz provided an update on activities/events for the month at BHIP

- BHIP's Man Van was featured in the Lauderdale-by-the Sea 4th of July Parade
- Behavioral Health Team presented Understanding Sundowners Syndrome to the Imperial Lifestyle Changes support group.
- Dr. Lipman addressed a group of seniors at the PRIDE center during monthly Coffee & Conversation.
- Dr. Molly Zachariah lecture on "Women and Heart Disease" at the John Knox Village Physician Lecture series.
- Dr. Lanalee Sam speaking to Gilda's Club about common cancers for the LGBT population. At the Gilda's Club Lecture at Thirteen in Wilton Manors.
- On July 21st, a Baby boy was born in the lobby of BHIP, mother and baby are fine and they were transferred to BHMC.

Dr. Howard Lewkowitz, Chief of Staff of Broward Health Imperial Point, reported that the Medical Council had reviewed and recommended for approval by the Board of Commissioners all exhibited Medical Staff Changes and Additions; Medical Staff Reappointments; Allied Health Changes and Additions; and Allied Health Reappointments.

Dr. Lewkowitz informed the Board that they needed to add Dr. Philip George, reappointment from Provisional to Active status. Dr. George was in error left off the report.

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

THAT THE BOARD OF COMMISSIONERS APPROVES THE RECOMMENDATIONS OF BROWARD HEALTH IMPERIAL POINT'S MEDICAL COUNCIL -- ITEMS 2 (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.

3. BROWARD HEALTH CORAL SPRINGS

Dr. Zingaro provided an update on activities/events for the month at BHCS

- BHCS is engaging the Studer Group.
- Construction fences are up for phase #1 which involves road work and additional parking areas. Phase #2 for construction zone will be completed in August for entire project to commence.

Dr. Zingaro reported that there was an error in the report. He asked that Dr. Sneahl Patel be added as Provisional II and not Resignation.

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 Ure:

THAT THE BOARD OF COMMISSIONERS APPROVES THE RECOMMENDATIONS OF BROWARD HEALTH CORAL SPRINGS MEDICAL'S MEDICAL COUNCIL -- ITEMS 3 (A-D):

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

Motion carried unanimously.

4. BROWARD HEALTH NORTH

Dr. Hoffberger gave an update on the activities/events for the month at BHN:

- Broward Health North earns Blue Distinction® Center and Designation for Quality and Cost-Efficiency in Knee and Hip Replacement Surgeries award. Florida Blue is for meeting the robust selection criteria for knee and hip replacements program based on objective measures that were developed by Blue Cross Blue Shield companies with input from the medical community.

- One of their former patients who was diagnosed with a life threatening brain tumor and is now a healthy college student, has stayed in touch with members of his treatment team over the years. Recently he stopped by the Cancer Center and delivered a donation check in the amount of \$1,000 from his family to help other patients in the Cancer Center.
- Trauma Services continue to reach out to local high schools where they held classes on distracted driving to students in the driver's education classes. At the five high schools they visited approximately 45 students participated at each school.
- Joint Conference Committee meeting will be held sometime late September.

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 Staff Additions and Changes; Allied Health Staff Reappointments; and Community Health Reappointment.

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

THAT THE BOARD OF COMMISSIONERS APPROVES THE RECOMMENDATIONS OF BROWARD HEALTH NORTH'S MEDICAL COUNCIL --ITEMS 4 (A-E):

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

Motion carried unanimously.

Commissioner Gustafson asked Dr. Hoffberger to explain the Florida Blue award and how many doctors are involved.

Dr. Hoffberger said that all of the BHN's orthopedic surgeons are involved but Dr. Naide and Janke do the majority of hips. This award has to do with quality with all cases that are done. Blue Cross / Blue Shield have specific criteria that they look at for all centers. They look at centers that can provide cost effective treatment and management. Commissioner Gustafson also asked if the physicians were employed. Dr. Hoffberger said they were not.

Chair Rodriguez thanked Dr. Hoffberger for bringing up the Joint Conference meeting. The last time it was held it was very productive.

5. BROWARD HEALTH MEDICAL CENTER

Dr. Yogel gave an update on the activities/events for the month at BHMC:

- Completed contracts with Internal Medicine doctors with a start date of August 1st.
- New Interventional Cardiologist taking call, Dr. Alan Neiderman and Dr. Ken Zelnick.
- Patient satisfaction scores are improving. They have been having Town Halls and over 3,000 employees have recently attended the town hall sessions run mainly by Mark Sprada. They have been focused on patient experience trying to validate that BHMC educates their patients and families in a way that they understand in their own language.
- Working on cutting down hospital infections and acquired conditions as well.
- Dr. Galal El-Gazzaz, new transplant surgeon. He just completed his Fellowship at Cleveland Clinic seems like a very well trained physician to get BHMC back on track on their Liver Transplant program.

He reported that BHMC's month-to-date July payer mix has demonstrated an increase in self-pay patients. Their finance department and Central Business Office (CBO) are working with Department of Children's and Families to address the backlog in trying to get some of these patients on Medicaid.

Dr. Louis Yogel Chief of Staff of Broward Health Medical Center, reported that the Medical Council had reviewed and recommended for approval by the Board of Commissioners all exhibited Medical Staff Changes and Additions; Allied Health Changes and Additions; Community Health Services Changes and Additions; Medical Staff Reappointments; Allied Health Reappointments; and Community Health Services & Weston Urgent Care Center Reappointment.

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

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

- A. Medical Staff Changes and Additions
- B. Allied Health Changes and Additions
- C. Community Health Services Changes and Additions
- D. Medical Staff Reappointments
- E. Allied Health Reappointments
- F. Community Health Services & Weston Urgent Care Center Reappointment

Motion carried unanimously.

INTERIM CEO REPORT

Ms. Grant informed the Board that her report will include a summary and update of the Quality Assessment and Oversight Committee which is chaired by Commissioner Rodriguez. Also at the end of her report, Ms. Peek will provide a brief update on BH's marketing initiatives.

QAOC meeting was held on July 7th.

- Concentrating on the Leap Frog group to ensure that all BH's hospitals are 'A' rated hospitals. Leap Frog is a group that rates hospitals based on specific quality indicators. BH looked at Action plans and key areas requiring Improvements specifically the HCAHPS. The goal is to have all hospitals to be 'A' rated for Leap Frog who scores twice a year.
- Patient Safety and Quality Committee transformed Data Reporting approach to a Performance Improvement focus. They looked at readmission rates and are developing an Antimicrobial Stewardship program under Dr. Westphal's leadership. All regions completed CDC checklist for Core Elements of Hospital Antibiotic Stewardship programs; reviewed Hospital Mortality or Readmission rates; achievers for Patient Satisfaction (Children's Hospital is all green), BHN and Gold Coast Home Health have good scores.
- The Studer Group has been engaged to work with BHCS. Customer Satisfaction is extremely important and there are some reductions in COPD readmissions and Pediatric Early Warning Scoring—BHCS is at 100%.
- Other outcomes for Hospital Acquired Infections: BHIP 0% ICU CABSIs for the 1st quarter; BHCS Children's services has 0% CLABSIs; BHCS, BHN and BHIP 0% MRSA

Ms. Grant explained that at the QAOC meetings results are shown from all of the medical centers and they discuss not only what the results are but what they do to improve those results and how they can learn from each other from Best Practices. Chair Rodriguez commented that the main issue is taking care of the patients. All are welcomed.

Quality Awards: **BHIP** recognized as an equity of care Champion in the area of Cultural Competency at the Institute for Diversity American Hospital Association Conference and completed a successful DCF Baker Act Re-Designation Survey; **BHCS** successful Joint Commission Disease Specific for Advanced Primary Stroke; and **BHN** received the Blue Distinction Center and Designations for Quality and Cost-efficient in Knee and Hip replacement Surgeries. BHN also has a comprehensive Joint replacement program that is certified by Joint Commission with specific quality indicators and outcomes. **BHMC** implanted the first leadless Pacemaker. Mr. Sprada explained this new technology in detail—this is first generation technology. Ms. Grant also reported that on July 19 and 20, BHMC will have their ACGME accreditation Site Visit. **BHCS** held their Camp Coral Kids event where 59 children with diabetes enjoyed a two week camp. Campers came from as far north as Port St. Lucie and as far south as the Bahamas.

Recognition of BH Care Warriors: BHN- Dr. Ridwan Lin is an interventional neurologist who volunteers countless hours providing stroke education to Pompano Fire & Rescue.

Recognition of Donation: Lillian S. Wells Foundation donated \$1 million to BHN which will help develop a Neuroscience Center.

CMS Quality Assessment for Gold Coast Home Health—their score was 93% which exceeded the performance requirement of 70% and the Hospice Program's score was 97% which exceeded the 79% requirement. They far exceeded their threshold which means they will not get a reduction in their overall reimbursement.

Ms. Grant said that Broward Health hosted 265 classes and or community events in June—touching 12,375 lives.

Marketing Update—Ms. Doris Peek provided the following update:

- Developed an RFP which went out for bid in mid-April though not required by Procurement; 8 agencies responded; a diverse Selection Committee membership was formed; 4 agencies selected for Oral Presentations; Winner was Wax Custom Communication out of Miami with runner up-Green Integrated Marketing Services out

of Boca; contract negotiations and scope of work definition in progress. The scope of work must have an advertising plan and schedule by quarter. At the corporate level it focuses on Brand clean-up and Refresh of name; regional level focuses on prominent service lines and quality for each medical center and corporate and regional will be incorporated. All marketing tactics will be digitally focused in paid digital ads, TV placement and Radio.

While they work out the negotiations with Wax Custom Communications, Ms. Peek informed the Commissioners that BH has launched an external campaign titled “Called to Care” with 8 billboards currently around the county; launched an Emergency Service campaign focused on the ER department’s quick turnaround and how bringing your child or loved one to the ER is better than an Urgent Care. Internally they are continuing their campaign for Care Warriors. This week they found 4 departments (Lab, Case Managers, Facilities Management and Patient Access Professionals) who do not have direct patient care and are often overlooked. Each department had a representative who participated in a video. Ms. Peek said other initiatives: Platforms and Video Content Created, new Digital newsletter; launched via TVs a lot of in-hospital brand new approach to social media, Care Warrior newsletter and interim external campaign. They have done 28 videos focusing on patients’ stories, physicians and employees.

CHIEF FINANCIAL OFFICER REPORT

Mr. Art Wallace reported that the June 2016 financial report will be presented at the August board meeting. It has been the practice that when the Books close in the month of June, the books are left open because there are things that go on that do not happen during the regular closing process each month i.e. actuarial adjustments for self-insured employee health plan, actuarial adjustments that take some time for malpractice and workers compensation program which is self- insured. Under a GASB 68 adopted last year, BH needs to accrue any unfunded pension liability or an overfunded pension liability. There is also the issue of the possible DSH take back by AHCA. Preliminary the two main issues are DSH and pension.

Bottom line for the month of June is \$18,834,000 (keeping in mind that the \$10 million pledge from the Salah Foundation is being recognized). Loss from operations is \$8,565,000 vs. a budgeted loss of \$12,855,000 favorable to budget by \$4.3 million. YTD loss from operations is \$148.3 million vs. a budget of \$150.8 million—for the first time all year BH is ahead of its budgeted loss from operations by \$2.5 million. Excess revenue over expenses is a loss in total of \$8,084,000 vs. a budgeted gain for the year of \$1,240,000.

Mr. Wallace advised the Board that in going back and looking at the January blue book, it showed a loss of \$55 million and now it is \$8 million which is a nice comeback. In the absence of the audit starting, he was taking the liberty of keeping the books open for a week or more in order to clear up some of these issues.

Mr. Wallace also advised the Board of another issue. The recent notification that AHCA had made an error in the calculations of the outpatient fee-for-service Medicaid rates across the entire state. At this point, AHCA is suggesting that they are not going back to fix those errors. BH needs to submit an administrative filing in order to preserve its rights to appeal those changes and is working with an attorney to get this filing done. They are also working with the Safety Net Alliance in terms of the structure as to how this should be done. That filing is due this Friday.

CHIEF INTERNAL AUDIT REPORT

Ms. Vinnette Hall stated that while she was on vacation there was an audit committee meeting with a lot of discussion surrounding the external auditor's engagement letter. Since her return, she attended a meeting with Mr. Wallace, Ms. Grant, Ms. Barrett and the external auditors trying to get clarity around some of the issues. That meeting was also followed up by a conference call. KPMG has a lot of issues surrounding the District which has contributed to an increase in the assessed risk of the District as a client. When there are different regulatory agencies looking at the District, with different allegations against senior management and the Board, it would be expected on the auditing standard that there would be the increase in the assessed risk rate as a client. Due to the assessed risk, this could potentially increase their scope in a lot of audit areas across the District of the financials. Translating to increased scope of samples across every single line item with potentially more robust procedures which can contribute to increase audit time. KPMG did provide a breakdown of projected hours for assessed risk increase as well as projected hours for matters related to different identified issues.

Mr. Wallace indicated that KPMG had projected an increase in fees of \$378,334. The root cause driving those issues that have been discussed have fallen into a category that KPMG describes as allegations of non-compliance. Those hours consists of 409 hours which is less than half of the total hours that they projected. The fees associated with those hours are \$227,204. Most are in the higher end partner, director and engagement partner levels with very few in staff and management levels. The remaining 485 hours fall into the assessed risk which amounts to \$151,130 in fees and those hours and fees fall in the assessed risk or enhanced scope described by Ms. Hall. Those hours will consist of drawing larger audit samples of everything that is sampled, looking at more disbursements, purchase orders, receiving slips, requisition slips, contracts to see that everything is supported in the manner in which it should and that there are no issues involving BH's disbursements. KPMG will also be looking at receivables.

Mr. Wallace commented that on the side of allegations of non-compliance these are new partners to the engagement; they were not used last year. They will be submitting their billable hours on their engagements every two weeks and BH will review what they are putting down for the billable hours for those categories and what the hours were used for and what they looked at. The onus is going to be on BH staff because they have the ability to drive those hours down as low as possible. There are things that KPMG wants BH to look at and things that they want staff to investigate and clear. This is going to be a function of how thorough BH is in terms of looking at things, investigating things, the process that is used, the results that derive from what they have looked at and what BH's conclusions were. The hours on the estimated fees are estimated hours and they are variable and BH completely expects to be able to work them down.

Mr. Wallace informed the Commissioners that his team is ready to get the audit started. He explained that usually the auditors are at BH at the beginning of May and June doing a lot of interim work and testing and none of that has taken place at this point and time. He is concerned about meeting the deadline of filing the audited financial statements and all of its continuing disclosure information with its Trustee who posts it on a system called EMMA. If the statements are not there on December 1st, BH will be in a notification of "failure to file" and on December 2nd, Moody's will probably be calling. Mr. Wallace again said BH is ready to start and get through an audit clean. He also reiterated that BH staff will do its best in keeping the hours down.

Ms. Hall indicated that Commissioner VanHoose wanted staff to clarify some requests that included speaking to external parties and what would happen if those parties would not speak with KPMG. Ms. Hall expressed those issues with KPMG and was informed that if an external party refuses to speak with them, there is nothing that can be done. BH nor KPMG can force them to speak. It then becomes what the underlying issue is that KPMG is trying to understand and what other information BH can provide them with that would satisfy them.

Commissioner Ure asked for a copy of the breakdown relating to the hours. He said the other thing that KPMG was going to do in addition to coming up with ways they can sharpen their pencil in terms of the dollar amount was to more clearly communicate the materially threshold. Having a more clear communication of what that materially threshold is will assist BH in putting together whatever list of items that they are asking about and it will also do a better a job of streamlining this process to hopefully result in lower fees. One of the issues was the broad and vague requests that KPMG has made and at what point is it material vs. not material to BH's financial presentation. A list was put together by Ms. Hall that appeared to him to be entirely too detailed in terms of the depth that it went. The fee of \$378,000 is one thing but putting it in the context of the total audit, it is double the standard fee which for Commissioner Ure is still quite shocking.

In terms of the materially threshold and KPMG providing that information, as an auditor herself Ms. Hall expects that there would be some limitation as to what KPMG can provide in terms of standards. Certain things about materially levels will not be disclosed prior to an audit because it could provide BH the potential opportunity to manipulate the information. She feels it would be unusual for auditors to provide that information ahead of time.

Commissioner Ure thought this was discussed. Ms. Barrett said Commissioner Ure was correct. They discussed what goes on, the issues, what was material vs. not, and when did it become any possible violation of law or policy.

Commissioner Robison feels that KPMG is looking at something that rises to the level of having the potential of being disclosed. They are looking for anything that would cause any major line item in this organization to be somehow disqualified from any federal program—that is material. BH knows what KPMG's big issues are because of its problems and investigations and KPMG wants to make sure that there are no other significant things out there. It is the same thing that the Commissioners want to see disclosed to them for its compliance. Commissioner Robison wants to see anything that could potentially be a reportable event and it does not matter from whom or from what. Having KPMG report every two weeks could go arm and glove to what BH wants to see because if it is being given to KPMG, Commissioner Robison wants to see it too.

Commissioner Robison does not like the cost either but also knows what happens on the EMMA system and the importance of BH meeting that deadline. Commissioner Robison reluctantly feels that they need to get a motion done to move forward with KPMG and charge staff and management working diligently to try to get this bill down as reasonable as possible. If there is a problem and things tend to go sideways, the Board needs to know. She agreed that some of the things on the list of 9 were totally inappropriate but understands that KPMG has a legitimate right to make sure that BH is giving them everything that could call into question their audit. BH needs to move forward with the audit and do the best to get that \$378,000 number down to a \$200,000 number.

Commissioner Canada was surprised not to see that the KPMG Engagement Letter was not on the agenda. She feels that the Board is being a little penny wise and pound foolish in that they may be trying to save as they delay but if the audit is not completed they will be faced with huge financial

implications if the deadline is not met. She agreed with Commissioner Robison that a motion should be made to approve the engagement letter and having the every 2 week communication with KPMG is a great way to go to make sure that everyone is on the same page. She feels it would be detrimental to the system to postpone this audit any further.

Commissioner Ure could not speak to why the engagement letter was not on the agenda; however, the way it was left at the audit committee was KPMG was going to come back to them with a variety of things. One of the fundamental problems was a number of inconsistent statements from Ms. Mitchell. There were a variety of areas where KPMG indicated that they may not be able to certify or opine on the District's financial statement as a result of information that they may not be able to confirm. The most outrageous statement was that the IRO cannot know more than they do. He questions how BH could ever meet that standard. This is concerning to him and does not give him a lot of confidence moving forward.

Mr. Wallace informed the Commissioners that when they had the separate meeting, Ms. Mitchell did say that she misspoke and did not mean to say that she needs every piece of information that was provided to the IRO. She needs to know anything of a material nature that the IRO knows relating to the financial statements.

According to Ms. Barrett's notes from that meeting, KPMG was going to look for all the information provided to the IG and IRO and if KPMG comes to the same conclusion as the people who did the investigation then they would cross something off the list. If not, they could not certify. Ms. Barrett did not hear Ms. Mitchell say that she misspoke.

Commissioner Ure heard from Ms. Mitchell on more than one occasion, that KPMG would not be conducting investigations, however, the statements that were made were contradictory and when pressed, he did not recall Ms. Mitchell changing her opinion. This is where he took a step backward in terms of his comfort level let alone the issue of the additional \$378,000.

Commissioner Gustafson asked the following questions:

- 1) At the staff meeting did KPMG come off of the number of \$378,000. Mr. Wallace said no. They listed the hours more specifically by job category between the assessed risks versus matters of non-compliance.
- 2) Did BH offer another dollar amount? Ms. Hall said no. The \$378,000 is an estimate and they would be billing actual.

Commissioner Gustafson was concerned that they were going to leave this meeting with no resolution. Another meeting is going to be necessary for the approval of an engagement letter and the clock is ticking. He realizes there are some fine arguments but not getting this audit underway is serious.

Mr. Wallace advised the Commissioners that they were going to get some reductions in monitoring the hours and doing more work on BH's end to give KPMG the information that they need in order to get them satisfied on some of the matters that are a cause of concern. As far as the added scope and the actual \$151,000, that is lower staff level and any audit firm if they came in under the same circumstances would be increasing their scope as well. He does not believe there is a lot of opportunity to reduce those hours but he believes that the \$227,000 is the area of opportunity.

Commissioner Robison indicated that given where BH is right now and changing auditors is not an possibility she would like to make **a motion that would authorize Mr. Wallace to move forward**

and enter into an engagement letter with KPMG subject to the understanding that every two weeks BH would be submitting to them information and results of BH's internal research on materials that they have put forth that they need to see. Should Mr. Wallace have any problems with their willing to be rational about what is material and what is not material that he come back to the Board and not in an ordinary meeting but at the end of each one of those two week meetings if there is a significant problem.

Commissioner Robison reluctantly moved to have Mr. Wallace move forward to enter into an engagement letter. Motion seconded by Commissioner Gustafson.

Discussion on the motion.

Commissioner Ure reminded everyone that at the February Audit Committee meeting they originally had requested from KPMG a budget for the enhanced scope of their audit which they received in early July. That is when they saw the \$378,000 number which is KPMG's good faith estimate. The point was also made at the audit committee that based on the issues that Ms. Mitchell was raising that number was more likely to go higher than lower and he wanted everyone to be conscientious of that fact. Commissioner Ure feels that KPMG has put BH in bad situation where they do not have a whole lot of choices.

Commissioner Robison stated for the record she totally agrees with Commissioner Ure. This is no way for any auditing firm of their statute to operate and she is appalled and very upset. BH is in a situation and all they can do is watch them like a hawk and make sure that they justify their bills and make sure that the hours are correct and that they do not turn themselves into an investigative arm because that is not their job. With Mr. Wallace getting back to them, there is not much more that BH can do. They are stewards of the District's money and she appreciates everything that Commissioner Ure did and totally agrees with him. Unfortunately BH is in a situation where they do not have a whole lot of choices right now.

Commissioner VanHoose agreed with a lot of the comments made today that they need to move forward with the item. However, when she left the audit committee she was a little uncomfortable mainly due to the inconsistencies of what staff was being told and what Ms. Mitchell was telling them. She asked if approving Commissioner Robison's motion would allow for a continued conversation and negotiation of discussion over the material threshold, overall budget and the management list that is to be provided or was BH accepting what was provided to them a couple of weeks ago.

Commissioner Robison assumed that her motion was subject to Mr. Wallace meeting with KPMG every two weeks with the understanding that KPMG is going to be forth coming and BH will be able to get those costs down to around \$200,000. KPMG needs to be reasonable and if they do not do what they have agreed to then Mr. Wallace would need to come back to the board. Commissioner Robison honestly believes in good faith that BH needs to move forward because missing the deadline for the audit is the worst thing that can happen and, at this time, they cannot switch auditors. She also suggested that any information that goes to the Audit Committee about disclosures to the auditors should also come to all Board members if there is any inkling what so ever that would be a reportable event under the CIA.

To the extent that there are still these continuing concerns, Ms. Barrett recommended that those concerns be addressed in the engagement letter as well as KPMG not being allowed to do investigative work. For example, the concern that still remains is the statement that BH would need

to investigate what the IRO is investigating and if BH does not know what they are then KPMG would not be able to certify. Subject to terms of the engagement letter flushing out these issues, Ms. Barrett asked if that would satisfy Commissioner VanHoose and Commissioner Robison's issues.

Commissioner VanHoose commented that she could be supportive today of a directive to keep the conversation going which shows KPMG that this Board is actually taking action by engaging these conversations; however, there are still those concerns that she has from the last meeting. If the original engagement letter and the amendment seem at odds, she wants to make sure that whatever they approve is not conflicting language legally. She then questioned Commissioner Ure as to when the next audit committee meeting was going to be held because KPMG still has some deliverables to bring back to them.

Commissioner Ure had committed to calling an audit committee meeting immediately but has not received any communication personally from KPMG. He too questioned why the lack of communication.

Commissioner Canada was confirming that KPMG will not move ahead with the audit without a signed engagement letter. Mr. Wallace replied correct. She then asked Mr. Wallace if KPMG did BH's audit last year and was the system satisfied with their work. Mr. Wallace stated that KPMG was effective, they were good to work with, there were no issues working with them and there was an excellent working relationship between staffs. Commissioner Canada then asked if there was any reason to believe that BH would have problems in working with them going forward on any of the issues that have been brought forward. Mr. Wallace said no. Commissioner Canada feels that BH really needs to move forward with this audit and does not understand the reason for the delay.

Commissioner Ure commented that KPMG is not new to this engagement and was fully conscientious to the fact that BH would be operating under a CIA. In fact, Ms. Mitchell indicated in their meeting that she was very well aware that they would be operating under a CIA and as she was reminded by him that the CIA would require an OIG monitor as well as an IRO. KPMG knew that in coming up with their standard audit fee they were going to have certain of the procedures of enhanced scope that would require extra dollars which for him, should have been on the table from day one. When questioning KPMG on this, Commissioner Ure never felt that he got a satisfactory answer.

Normally when an auditor is working under a CIA Commissioner Robison commented it gives the auditor much more comfort. Even though she is offended by the dollars, she is more concerned about the inconsistent statements that need to be corrected. KPMG has guidelines of what is needed to issue a clean audit and being an investigative arm is not one of them. She feels that they need to authorize BH to move forward with KPMG which includes having an engagement letter that BH is comfortable with and makes it clear that KPMG is not going to put any burdens on BH that are not standard. She is sympathetic to Commissioner Ure and feels that it is horrific to be in this state. Commissioner Robison felt that she needed to modify her motion to make it a directive to Mr. Wallace to get the engagement letter drafted as quickly as possible so that it can be reviewed as soon as possible.

Commissioner VanHoose cannot see how they can vote on anything else today aside from a directive without having an engagement letter in front of them. She would never feel comfortable voting on something without the document in front of them. However, she would be supportive of a motion which is a directive to staff, along with some parameters, to get an engagement letter in

process so that they can vote on it at the next board meeting or at a special board meeting but would not be supportive of voting on an engagement letter that is to be negotiated that she did not have in front of her.

Chair Rodriguez shared Commissioner VanHoose's sentiments. He is very uncomfortable approving an engagement letter that he has not seen. He will not vote on anything unless KPMG is precluded from doing a job that they are not supposed to be doing as brought forward by Commissioner Robison. Chair Rodriguez suggested moving forward and tabling the motion currently on the floor.

Commissioner Robison did not mind withdrawing the motion but her only concern is that she wants the engagement letter to clear up the ambiguity of the total inconsistencies between what KPMG is going to be doing in performing the audit. She was fine with directing Mr. Wallace to negotiate and come up with something that will get passed by the board. That is why someone needs to say something about what should be in the engagement letter. She was happy making that statement and withdrawing the motion with the understanding that as soon as BH is ready to bring an engagement letter, this Board will reconvene.

Commissioner Robison withdrew her motion.

Commissioner Gustafson asked who was writing the engagement letter. Chair Rodriguez replied that it would be General Counsel.

Ms. Grant stated she along with General Counsel, Ms. Hall, Mr. Wallace and KPMG will work on an engagement letter and come back to the Board for approval. The engagement letter will be sent out in advance of a Called Special Meeting. Procedurally, Commissioner Ure asked if the engagement letter needed to come back to the Audit Committee before going to the full board. Ms. Barrett said that requirement could be waived; however, it is best practice. Commissioner Ure asked what would determine an emergency meeting. Ms. Barrett did not believe this meeting would qualify for an emergency meeting. She believes the discussion was Special and would require 5 day notice; two or three members need to request it or the Chair can call the special meeting. Commissioner Robison asked if they could request less notice. Ms. Barrett said no. Commissioner Ure asked about Calling In for the meeting. Ms. Barrett advised him that they cannot call in to constitute a quorum.

There was a question as to whether they would be convening as a whole body and if they could notice the meeting now to approve the engagement letter. Ms. Barrett replied they would convene as a whole body and no, they would not notice the meeting now. Ms. Barrett informed them that it needed to be notified in the public and legal also needs time to prepare the engagement letter which will also depend on the willingness of the other party, unless the Board wants to do it on its side and then tender it to KPMG. Commissioner Ure did not want an engagement letter to come to the Board that KPMG will not sign. Ms. Barrett asked if the Board wanted to see the engagement letter before it goes to KPMG. Commissioner Robison said she wants to see it and not two minutes before voting on it.

Chair Rodriguez asked if General Counsel knew the parameters for the engagement letter. Ms. Barrett replied yes; no investigatory, nothing outside their scope, every two week meetings, any regularizes get brought back to the board immediately and not during a regular meeting, no requesting of million documents to do a de novo review.

Chair Rodriguez asked Commissioner Robison about the list of 9 items. Her understanding is that KPMG has totally backed off that list of 9 items. According to Ms. Barrett, they have and they have not. KPMG said that they did not do the list but as Mr. Wallace pointed out at the end of the meeting, the subject was everything in the list. Commissioner Robison feels that there were things on that list that KPMG had no business being concerned with. Ms. Barrett then mentioned the documents that were passed out at the internal meeting that they had with KPMG. She asked if the audit committee had seen those documents. Commissioner Ure commented that he had not and asked that those documents be sent out to all board members.

Chair Rodriguez asked that when the engagement letter is completed, to let him know and he will call a meeting as soon as possible.

GENERAL COUNSEL REPORT

Ms. Barrett provided the following report:

- The Legal Department continues to work on the various contracts. Currently they are working on new and additional templates as well as working with contract administration on the process.
- Actively interviewing for the open positions. They have three (3) interviews this week. She is hoping that this person who they have interviewed and who has managed care background will work out. This is one of the areas that she previously discussed would be great to bring all in-house as well as real estate not purchase and sales but leases and significant amount of compliance experience and regulatory compliance. They are doing 3 to 5 interviews a week to fill these open slots.

Ms. Barrett requested three shade sessions for the purpose to discuss and obtain advice on pending litigation pursuant to F.S. 286.011. She asked that these shade sessions be scheduled following the August 31st, Board meeting. The cases are: Stevens Davilma et al vs. NBHD; Maria Quinoy et al vs. NBHD and Khrystle Isaac et al vs. NBHD.

It was moved by Commissioner Gustafson, seconded by Commissioner Robison for the Committee to approve holding three Shade Sessions for the purpose of obtaining advice on pending litigation pursuant F.S. 286.011 following the August 31st, 2016 Board meeting.

Motion carried unanimously.

BROWARD HEALTH FOUNDATION REPORT

Ms. Traci Shur provided the following report:

- Lillian S. Wells Foundation is making a \$1,000,000 gift to name the Neuroscience Center at Broward Health North. This is the first leadership gift for this project. The Neuroscience Center will allow for all the services currently provided at Broward Health North to be expanded and centralized in one location that will include a private entrance and parking to allow for greater comfort and ease for our patients with neurological issues. This is a \$2.5 million project that the Foundation is working on as part of our strategic plan.
- As a result of successful completion of the KIDS Campaign, the Foundation will give \$1,750,000 to Broward Health Medical Center as reimbursement for project expenses.

- The Foundation will also fund sickle cell patients to attend camp Boggy Creek at program at Broward Health Medical Center.
- They paid \$8000 for diagnostic testing in addition to providing taxi service for breast cancer patients through the Glam-a-thon fund.
- Refurbished the dermatology residents' rooms; and sent 3 staff members to the child life annual conference.
- The Foundation sent 58 children to Camp Coral Kids at BHCS program.
- Updated the audio and PA system at the urgent care center in Weston.
- Provided durable medical equipment for Gold Coast Hospice and send staff at BHN to a stroke conference.
- Held its first board meeting of the new fiscal year last night and elected its new officers that will serve for the next 2 years.
- The Foundation will have their annual Business Council reception on August 17 at BHIP. This is the Foundation's recognition society for their corporate donors. Currently they have 103 members of the Business Council which is a 23% increase over last year.

COMMITTEE REPORTS: Chair Rodriguez informed the Commissioners that the minutes of the Committees will no longer be approved by the Board. Commissioner VanHoose questioned why the Board was not voting on the committee minutes. Ms. Barrett informed her that Commissioner Robison made the point that the full board did not attend the committee meetings and does not know what went on so it does not have the knowledge to approve the minutes. The minutes will be approved at the committee level and not by the full board. Chair Rodriguez asked that the Chairs of the Committees provide an update of what occurred at their meeting(s).

Quality Assessment & Oversight Committee

Chair Rodriguez said the meeting was held on July 7 2016. Invited everyone to attend and see the hard work of every nurse and doctor and everyone on the staff of BH to take care of the people that BH serves. He then referenced the Quality report presented by Ms. Grant

Audit Committee

Commissioner Ure said that they have talked about Audit and assumed that everyone was informed.

Board Compliance and Ethics Committee June 27, 2016

Commissioner Gustafson had no update for this meeting held on June 27, 2016.

Board Compliance and Ethics Committee

Commissioner Gustafson said the meeting was held on July 25, 2016 and the following actionable items included: 1) Compliance, Legal and Ethics will begin to assess what issues need to be shared with the Board of Commissioners; and 2) Compliance, Legal and Ethics will work to prepare a draft procedure regarding board notification, investigation and review and report back to the Governance Committee.

Governance Committee

Chair Rodriguez reported that the Committee met on July 25, 2016. The following actionable items included:

- 1) There was motion that the Governance Committee work with General Counsel to adopt a policy that would be applicable to all minutes of the committees and of the Board in full and that policy be submitted to the full Board for its approval at the August Board meeting. He said that all committee meetings will now be taped.
- 2) Adopt a policy

regarding how 119s are handled and what charges can be assessed to the requestor; and 3) Revise the current Compliance procedure for internal investigations to be consistent with the current policy which is what was discussed at the Board Compliance and Ethics Committee. These will come back to the Board for full approval.

DISCUSSION AGENDA.

6. Authorization for the Interim President/CEO to renew two twelve-month contacts with the State of Florida of Health for HIV/AIDS Inpatient Care Funding, in the amount of \$141,916; and Outpatient Care Funding, in the amount of \$158,976 for the period of July 1, 2016 to June 30, 2017, subject to General Counsel's review and approval as to legal form and conditioned on no material changes in the approved business terms.

Item 6 was presented by Ms. Jasmin Shirley, VP of Community Health Services. Following her detailed presentation of the request,

Commissioner VanHoose asked if these funds are dispersed in one lump sum. Ms. Shirley said that the state disperses it out in 12-incremental amounts per month and these funds are used up totally by BH.

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

THAT THE BOARD OF COMMISSIONERS AUTHORIZES THE INTERIM PRESIDENT/CEO TO RENEW TWO TWELVE-MONTH CONTACTS WITH THE STATE OF FLORIDA OF HEALTH FOR HIV/AIDS INPATIENT CARE FUNDING, IN THE AMOUNT OF \$141,916; AND OUTPATIENT CARE FUNDING, IN THE AMOUNT OF \$158,976 FOR THE PERIOD OF JULY 1, 2016 TO JUNE 30, 2017, SUBJECT TO GENERAL COUNSEL'S REVIEW AND APPROVAL AS TO LEGAL FORM AND CONDITIONED ON NO MATERIAL CHANGES IN THE APPROVED BUSINESS TERMS.

Motion carried unanimously.

7. Approval of:
2016 Rolled Back Millage Rate of 1.3462

Mr. Wallace informed the Board that this is a three-prong exhibit relating to the tax rates for the FY 2016-2017. This action needs to be taken at today's board meeting in order to follow the time line and get the information to the Property Appraiser's office by August 1, 2016 so that the Trim Notices can go out.

Mr. Wallace reported that the 2016 rolled back millage rate must be determined based up the revised certified taxable value of property lying within the District as provide to BH by the Broward County Property Appraiser. He then reported that on June 29, 2016 the NBHD must compute a rolled back millage rate. He then described in detail the definition of a rolled back millage.

Chair Rodriguez commented that looking back at the taxes for 2013, 2014 and 2015 which showed that NBHD dropped \$5 million each of those years which goes to some of Mr. deGroot's comments. Chair Rodriguez asked Mr. Wallace what rate are the

taxpayers of Broward County paying today. Mr. Wallace said that they are paying 1.4425 mills.

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

THAT THE BOARD OF COMMISSIONERS APPROVE THE 2016 ROLLED BACK MILLAGE RATE OF 1.3462 MILLS AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

Adoption of Proposed 2016 Millage Rate of 1.4425

Mr. Wallace reported that the proposed millage rate to be set at the July 27, 2016 Board meeting for subsequent timely submission to the Property Appraisers office no later than August 1, 2016 which requires careful consideration and evaluation of all factors. Under the F.S. 200 series, the proposed rate set on this date cannot be subsequently adjusted upward at either of the two required public hearings unless each taxpayer within the taxing district is sent a special notice by first class mail of their taxes under the tentatively approved millage rate determined at the July 27, 2016 Board meeting. However, Mr. Wallace informed the Board that this proposed millage rate of 1.4425 could be lowered at either of the two public tax hearings.

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

THAT THE BOARD OF COMMISSIONERS ADOPT THE PROPOSED 2016 MILLAGE RATE OF 1.4425

MOTION CARRIED UNANIMOUSLY.

Setting of Date, Time and Place for First and Second Tax Hearings

Mr. Wallace informed the Board that the F.S. requires that two public meetings be held for purposes of discussing and explained reasons for the millage rate and receiving public comment. It also requires that an advertisement be placed in a local newspaper two to five days preceding the second and final tax hearing and must include a summary of the operating budget and must be held not more 15 days of the first hearing and cannot be held on Sunday. When held on Monday thru Friday, it must be held after 5:00 p.m.

Mr. Wallace reported that BH is proposing the following: the first public tax hearing will be held at BHMC, auditoriums at 5:30 p.m. on September 14, 2016; the second and final tax hearing will be held at BH North, Conference Center at 5:30 p.m. on September 28, 2016.

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

**THAT THE BOAD OF COMMISSIONERS APPROVE THE DATE AND TIME OF THE FIRST AND SECOND TAX HEARINGS AS PRESENTED:
FIRST TAX HEARING—WEDNESDAY, SEPTEMBER 14, 2016 AT 5:30 P.M.—
BROWARD HEALTH MEDICAL CENTER—AUDITORIUMS;**

**SECOND AND FINAL TAX HEARING—WEDNESDAY, SEPTEMBER 28, 2016
AT 5:30 P.M. AT BROWARD HEALTH NORTH IN THE CONFERENCE
CENTER**

MOTION CARRIED UNANIMOUSLY.

COMMENTS BY COMMISSIONER

Commissioner Canada commented with regard to the last Board Compliance and Ethics Committee meeting, a discussion was started about the process, procedures and policies of how and when the Board receives information, complaints and so on. A complaint came up and the Board asked Mr. Carlos Lopez to look into the allegation which did not sit well with her. She wants to make sure going forward that the Board remembers that it is fine to investigate a complaint but they should not investigate the person making the complaint. The Board may not like complaints that are issued with regard to them or the District but when anonymous complaints come and to try and seek out who is complaining is a violation of confidentiality and not part of the transparency that the District as a system is trying to promote. Commissioner Canada feels very strong about this.

Commissioner Ure commented that he as stated multiple times that anyone who follows the procedure in making a complaint has absolutely a right to anonymity. He thinks that is the best practice. Even without operating under a CIA, he believes it is the best practice but the fact that BH is operating under a CIA, it is a requirement. He has never said anything to the contrary.

NEXT REGULAR BOARD MEETING The next regularly scheduled Board of Commissioners' meeting will be held on August 31, 2016 at 4:00 p.m. in Broward Health Corporate Office, Spectrum Site, 1700 NW 49 Street, Fort Lauderdale, Florida.

There being no further business, it was moved by Commissioner Gustafson, seconded by Commissioner Ure that the meeting adjourn.

Meeting adjourned at 6:40 p.m.

Respectfully submitted,
Commissioner Maureen Canada,
Secretary

By: Maryanne Wing

Tape of the meeting is available upon request.