



NORTH BROWARD HOSPITAL DISTRICT
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
1700 NW 49th Street, Ste. 150
Fort Lauderdale, FL
JANUARY 31, 2018

***MINUTES**

MEETING CALLED TO ORDER: 4:05 p.m.

BOARD MEMBERS:

- ✓ Commissioner Ure, Vice Chair
- ✓ Commissioner Wellins
- ✓ Commissioner Klein
- ✓ Commissioner Gregoire

THE PLEDGE OF ALLEGIANCE: Commissioner Ure

PUBLIC COMMENTS:

- 1) Former Commissioner Cobo –Mr. Cobo expressed his discontent with the Board. He mentioned that when he and former Commissioner Sallarulo served on the Board, they were the lonely vote and took the right position as today the right thing was done and he respected the Board for it. Mr. Cobo closed in saying that Ms. Capasso had done some things to be admired, however the long-term solution needs to be looked at.
- 2) Pastor Allan V. Jackson. – He commended the Board for choosing Ms. Capasso as President & CEO of North Broward Health. Pastor Jackson assured the Board that the community gives them their full support for their decision. Pastor Jackson also thanked the Board for allowing them to be part of the process.
- 3) Reverend Gary Johnson, President of the South Florida SLC – Reverend Jackson thanked the Board for making the right decision in choosing Ms. Capasso. His organization believes in the integrity of the people. He feels that today the Board showed that kind of integrity and expressed that it had been a pleasure to be part of the process.

APPROVAL OF MINUTES:

1. Request approval of the Minutes from CEO Search Committee Meeting held on November 21, 2017

MOTION:

Motion was made by Commissioner Wellins to approve the Meeting Minutes from the CEO Search Committee Meeting held on November 21, 2017. The motion was seconded by Commissioner Gregoire.

Motion carried unanimously.

2. Request Approval of the Meeting Minutes of the Special of Commissioners' meeting held on November 29, 2017.

MOTION:

Motion was made by Commissioner Wellins to approve the Meeting Minutes from the Special Board of Commissioners' meeting held on November 29, 2017. The motion was seconded by Commissioner Klein.

Motion carried unanimously.

3. Request approval of the Meeting Minutes of the Regular Board of Commissioners Meeting held on November 29, 2017.

MOTION:

Motion was made by Commissioner Ure to approve the Meeting Minutes from the Regular Board of Commissioners' meeting held on November 29, 2017. The motion was seconded by Commissioner Wellins.

Motion carried unanimously.

4. Request approval of the Meeting Minutes of the Special Board of Commissioners Meeting held on December 11, 2017.

MOTION:

Motion was made by Commissioner Klein to approve the Meeting Minutes from the Special Board of Commissioners' meeting held on December 11, 2017. The motion was seconded by Commissioner Wellins.

Motion carried unanimously.

5. Request approval of the Meeting Minutes of the Special Board of Commissioners' meeting held on December 20, 2017, as amended to remove Commissioner Robison's name and add Commissioner Gregoire's name.

MOTION:

Motion was made by Commissioner Ure to approve the Meeting Minutes from the Special Board Meeting held on December 20, 2017. The motion was seconded by Commissioner Gregoire.

Motion carried unanimously.

COMMITTEE REPORTS:

Pension & Investment Committee Report

January 23, 2018

Commissioner Ure

Commissioner Ure summarized the minutes for Pension and Investment. He believes the employees, shareholders, and taxpayers, should be pleased with the performance of the pension plan and other invested funds, as last year was spectacular. He mentioned that in the prior meeting, the Committee requested the consulting firm do an asset allocation review. A few changes were made to the portfolio; in particular they dialed back some of the risks on unrestricted funds.

MOTION:

Motion was made by Commissioner Wellins to approve the Pension & Investment Committee Report, seconded by Commissioner Ure.

Motion carried unanimously.

Quality Assessment Oversight Committee Report

January 24, 2018

Commissioner Klein

Commissioner Klein reported that there was a lengthy presentation given from a number of the participants within the organization at the last quality assessment and oversight meeting. He further reported that a lot of the numbers were trending in the right direction and that the quality is improving. There was no action item scheduled relative to the committee report.

MOTION: N/A

Finance Committee Report

January 24, 2018

Commissioner Klein

Commissioner Klein reported that the December 2017 financial statement was reviewed and that the recommendation to approve and adjust reallocation of funding would be brought to the Board later that afternoon during the consent agenda.

Building Committee Report

January 24, 2018

Commissioner Klein

Commissioner Klein reported that a comprehensive look at the surplus property was taken within the Broward Health system, and that they were entertaining options for disposal or sale of some property. They reviewed several bids and it was determined that it was necessary to upgrade communication systems to enable first responders to communicate within the hospital system, which is currently impaired. This, along with some upgrades to the behavioral health unit, is on the consent agenda that afternoon. Commissioner Klein further reported that they received updates on several ongoing projects. After the conclusion of the Committee Reports, Commissioner Wellins requested an item from the Discussion Agenda be moved up in the agenda.

MOTION:

Motion was made by Commissioner Wellins to move item of Discussion Agenda – Final Selection of CEO. The motion was seconded by Commissioner Gregoire.

Motion carried unanimously.

Commissioner Wellins explained that the subject of the CEO search committee and final selection of the candidates was discussed at the prior special board meeting. After input from senior leadership, medical staff, and the community, it was recommended that the current interim CEO stay in place. He further shared that they felt the options were not better and that the consensus did not feel they could get to where they needed to go if they made a change now. The recommendation was to keep the current CEO in place until after the conclusion of the CIA.

Ms. Capasso expressed that she is humbled and honored to accept the term of contract for another three years.

Commissioner Gregoire stated that she was grateful that Ms. Capasso was willing to stay and that the Board believed she was the best thing for Broward Health.

Commissioner Klein explained to the public that at the earlier Special Board meeting comments were heard by the hospital executive teams, and community leaders who attended every single interview in regards to the CEO candidates. There was extensive discussion concerning what the best course is for the Broward Health System at this point. Ultimately each Board Member made the decision as to what they believed was in the best interest of the system. Commissioner Klein stated that in his view after reviewing quality improvements and financial improvements that will be saving the system \$850k a year in interest alone, he felt that for the stability of the system they should continue in the upward and positive direction they are on by bringing Ms. Capasso. Commissioner Klein continued to state that there were a lot of improvements made since Ms. Capasso served as Interim CEO. She brought in a lot of quality people which shows solid decision making capability and those people had performed really well. The input, in particular from the leaders of the community and those others who evaluated the CEO candidates, was part of the decision making process for Commissioner Klein.

There was discussion between Chairman Rodriguez and Ms. Barrett in regards to the contract traditionally being handled by the Secretary/Treasurer. Chairman Rodriguez stated that although he will not be supporting the item, he wanted his comments to be on record in full, which are added to these minutes and are made a part, hereof.

Commissioner Wellins advised that the motion should state that they would enter a contractual obligation with Ms. Capasso as the President/CEO for Broward Health for a time not to exceed the conclusion of the CIA and release from the Monitor and that the contractual obligation would be negotiated according to the policies and procedures established at Broward Health.

MOTION:

Motion was made by Commissioner Wellins that a contractual obligation would be entered with Ms. Capasso as the President CEO for Broward Health for a time not to exceed the conclusion of the CIA and release from the monitor, at which time the Board could decide on the future direction of Broward Health. The motion was seconded by Commissioner Gregoire.

Roll Call:

Commissioner Rodriguez: NO
Commissioner Ure: YES
Commissioner Klein: YES

Commissioner Gregoire: YES
Commissioner Wellins: YES

Motion carried.

6. MEDICAL STAFF / CREDENTIALING UPDATE: – Dr. Andrew Ta

- a) Broward Health North
- b) Broward Health Imperial
- c) Broward Health Coral Springs
- d) Broward Health Medical Center
 - Medical Staff Changes and Additions
 - Allied Health Changes and Additions
 - Community Health Services Changes and Additions
 - Medical Staff Reappointments
 - Allied Health Reappointments
 - Community Health Services & Weston Urgent Care Center Reappointment –Tabled

Dr. Andrew Ta reported that there were a total of 24 new physicians and 10 allied health professionals for initial appointments. 15 physicians in 23 allied health professionals who are reappointments for a total of 138. There were 17 volunteer resignations. There was no reportable activity to the national physician databank.

MOTION:

Motion was made by Commissioner Gregoire to approve the appointments and reappointments of medical staff and credentialing. The motion was seconded by Commissioner Ure.

Motion carried unanimously.

PRESIDENT/CEO UPDATE: – Beverly Capasso

Ms. Capasso listed several achievements and awards.

- **BHMC** earned Joint Commission Gold Seal of Approval given to hip and knee replacement program. In addition, on January 25th, **BHN** went through a comprehensive on-site review for advanced certification for Total Hip and Total Knee Replacement with the Joint Commission. The surveyor was very complimentary of the care and the team at BHN.
- **BHN, BHIP,** and **BHMC** have earned the American Heart Association / American Stroke Association Heart Check mark for Advanced Certification for Primary Stroke Centers.
- **BHN** Mammography Department and **BHCS** Women’s Center completed successful annual inspections from the Department of Health’s Mammography Quality Standards Act Program.
- On January 15th, the American College of Radiology completed a site survey at BHN, for CT, MR, Nuclear Med and PET services where no deficiencies were found. The American College of Radiology also certified BH Imperial Point’s CT services through 2020.
- CAP surveyors arrived at **BHN** to assess the hospital’s Lab and Blood Gas Department against 1,500 standards. Ms. Capasso reported that it was a long and tedious process, but the findings were

amazing. **BHIP** also had a successful CAP inspection and they were commended for their outstanding laboratory, with no findings in any of their policies, procedures or patient care items.

- Flu vaccine compliance rate went up from last year's 56% to 80% this year
- **BHIP** Pathway to Excellence re-designation application was approved by the American Nurses Credentialing Center, the world's largest and most prestigious nurse credentialing organization and subsidiary of the American Nurses Association (ANA).
- All hospitals will be joint commission certified.

- Ms. Capasso introduced new Vice President of Government Relations, attorney Diana Arteaga. Ms. Arteaga will be responsible for development implementation and execution of strategic initiatives and is very well connected in Tallahassee. Paul Schwartzkopf, new chief financial officer at BHMC was also introduced. He has with over 30 years of experience in finance and accounting from Tenet's Healthcare and West Boca Health Care. Broward Health Medical Center's employee Heather Havericak was recently promoted to Chief Operating Officer.

- In regard to community outreach, during the month of December there were 386 events touching over 25,000 lives. BH was a presenting sponsor at the 3rd Annual Rainbow 5k in support of the LGBTQ community.

- In regards to growth, Ms. Capasso reported that she and Mr. Santorio toured the new tower at BHCS. There is also construction at the Salah Children's Hospital and at BHN.

GENERAL COUNSEL REQUEST FOR SHADE MEETINGS: – Lynn Barrett

Ms. Barrett reported that in the upcoming months senior management would be having a strategic planning session with the Board pursuant to Florida Statutes 395.3025. In addition, Ms. Barrett requested that the Board hold a shade session to provide her with advice and guidance for pending litigation to which the District is currently a party under Florida Statutes 286.011. The pending litigation is Case # CACE16023169 for the 17th Judicial Circuit Court in Broward County. Vazaios, John vs. North Broward Hospital District, et Al (John Vazaios personal representative for Sylvie Vazaios).

Attendees: Chairman Rocky Rodriguez, Vice Chairman Christopher Ure, Secretary/Treasurer Andrew Klein, Commissioner Steven Wellins, Commissioner Nancy W. Gregoire, President/CEO Beverly Capasso, General Counsel Lynn Barrett, Esq., Counsel Jonathan C. Abel, Esq. and Mathew S. Weber, Esp.

MOTION:

Motion was made by Commissioner Gregoire to approve shade session. The motion was seconded by Commissioner Klein.

Motion carried unanimously.

GOVERNMENT AFFAIRS UPDATE: – Diana Arteaga

Ms. Arteaga reported activity for the last two weeks, which included the release of both chambers proposals on the budget. The Senate includes \$50 million to boost hospital rates but redistributes the dollars without regard for the amount of Medicaid or Charity care preformed to the detriment of safety net alliance. The House does not include the \$50 million but keeps the funding methodology in place.

Although both budgets lead to cuts, the Senate cuts to safety net hospitals are significant, which Jackson Memorial and UF Shands take the biggest losses followed by BH, Tampa General and UF Health Jacksonville.

CONSENT AGENDA:

7. Approve funding for implementation of the Public Safety Radio Signal Booster System (a/k/a/ Bi-Directional Amplifier System – BDA) at all four hospitals and contract with the BDA RFQ's low bidder, Communication Access Services, Inc.
8. Approval to accept the adjustment/reallocation of Ryan White Part A funding and amend the agreement with Broward County for Medical Care, Case Management, Disease Case Management and Pharmacy Services for the period March 1, 2017 – February 28, 2018
9. Approval to enter in a contractual agreement with the vendor, Visualscape, selected per the formal RFP process
10. Approval to enter in a contractual agreement with the vendor, SMF, selected per the formal RFP process
11. Approval to accept Pension & Investment Committee recommendation that the Committee have oversight authority of the 403b and the 475b program
12. Approval to accept Pension & Investment Committee recommendation to support managements' proposal to amend the benefit eligibility rules regarding retirees that return to work

MOTION:

Motion was made by Commissioner Gregoire to approve items 7-12 on the Consent Agenda. The motion was seconded by Commissioner Ure.

Motion carried unanimously.

DISCUSSION AGENDA:

1. Acceptance of the Interim Financial Statement for the month of December 2017

CFO, Alan Goldsmith, reported that for year 2018, the District's excess revenue over expenses, which includes gains and losses from operations, property tax, and investment income, was a positive \$2,082,000 million dollars versus a budget loss of (\$327,708k) or \$2,409,840 over budget, and \$3,042,464 more than December for year 2017.

Year to date for year 2018 in regards to excess revenue over expenses, was a positive \$26,139k versus a budget loss of (\$1,172,000) or \$27,311 over budget, and \$29,4 million more than prior year.

In regards to Operations, the gains and losses for the month of December, year 2018, was (\$10,382) versus (\$12,115) or \$1,282k favorable to budget, and \$2,636 favorable to prior year.

Year to date for year 2018 was (\$74,983) versus (\$73,532) or \$1,451 unfavorable to budget. The budget issue was hurricane related in addition to a one time Medicaid settlement of \$1.5 million. However, year to date for year 2018 versus year to date for year 2017, both having had hurricanes, there was a loss of \$6,233, which was less than the prior year. Operating margins are a great indicator of how efficiently a company manages expenses, which state that for year 2018, there was a 1.70% increase over the prior year. Mr. Goldsmith further reported that FEMA agreed to reimburse 90% of labor and 100% of all damages.

December key takeaways:

- \$3.1 million under budget
- Overtime and agency as a percent of productive hours was 3.2. There are currently 150 people in orientation who, once they complete the pre-employment phase, will help offset a lot of the overtime.
- All four hospitals performed at or above budget.

Mr. Goldsmith recognized and thanked Jennifer S. Cohen and Asad S. Mirza for negotiating a pharmacy reduction of \$8.2 a year with CVS.

MOTION:

Motion was made by Commissioner Ure to approve the interim Financial Statement as provided by Mr. Goldsmith. The motion was seconded by Commissioner Klein.

Motion carried unanimously.

2. CFO Search - Final selection, Chairman Rocky Rodriguez – SEE ABOVE

COMMENTS BY COMMISSIONERS:

Commissioner Gregoire feels an important and correct strategic move was made today. She took the opportunity to thank the community for their support and comments.

Commissioner Ure concurred with Commissioner Gregoire's comments.

Commissioner Wellins stated that in his 51 years of serving on several Boards, this was one of the most difficult decisions. He feels that for the next two to three years there will be stability, focus and continuity. He went on to thank Ms. Capasso staying on another two and a half years.

Commissioner Klein stated that he echoed a lot of the same sentiments as Commissioner Wellins. He believes the system is heading in the right direction as he can see the progress that's being made with the quality team in place and with the financial numbers. He thanked the community leaders for being involved and engaged.

Commissioner Rodriguez thanked everyone and congratulated Ms. Capasso.

MEETING ADJOURNMENT: 6:02 p.m.

AUTHENTICATION OF MINUTES: Patricia Alfaro, Special Assistant to the Executive Office.

*Audiotape available upon request.

Inserted comments below by Commissioner Rodriguez

We are the new Broward Health! We stand for Transparency, Ethics, Honesty and Integrity and we don't flip candidates on the eleventh hour. Doing the opposite will be unethical, dishonest, lack of transparency and ultimately corrupt the integrity of this process.

For almost a year, we have faithfully followed the process to post the CEO position. We hired a very competent and reliable company in Georgia to vet the candidates without any interference. We reviewed the top 10 resumes and selected 6 to be interviewed. Now we have 4 very qualified candidates who have waited close to a year to have that opportunity and we should commend their perseverance.

It is time for us to move forward and name one of these candidates to lead the very professional support team now in place and fulfill the promise we made to this community.