



NORTH BROWARD HOSPITAL DISTRICT
BOARD OF COMMISSIONERS MEETING

1700 NW 49th Street, Ste. 150

Fort Lauderdale, FL

MAY 30, 2018

***MINUTES**

MEETING CALLED TO ORDER:

A regular meeting of the Board of Commissioners of the North Broward Hospital District (Broward Health) was held at 1700 NW 49th Street on Wednesday May 30th commencing at 5:26 pm

The following Board members were present:

Commissioner Andrew Klein	Chair
Commissioner Christopher Ure	Vice Chair
Commissioner Ray Berry	Secretary & Treasurer
Commissioner Nancy Gregoire	Member
Commissioner Steven Wellins	Member

There were no members absent.

CALL TO ORDER:

There being a quorum present, the meeting was called to order by Chairman Klein

THE PLEDGE OF ALLEGIANCE:

Chairman Klein invited Commissioner Gregoire to lead the Pledge of Allegiance

PUBLIC COMMENTS:

None

OATH OF OFFICE:

Chairman Klein welcomed Commissioner welcomed Commissioner Ray T. Berry to the Board. The formal Oath of Office was administered by General Counsel, Lynn Barrett.

ELECTION OF SECRETARY & TREASURER: Chairman Klein noted that the office of Secretary and Treasurer was currently vacant due to Mr. Klein’s election as Chairman. After discussion, the following motion was made and approved:

MOTION:

Commissioner Ure moved, seconded by Commissioner Gregoire to elect Commissioner Ray Berry as Secretary and Treasurer.

Motion carried unanimously.

COMMITTEE APPOINTMENTS:

Chairman Klein noted that the addition of Commissioner Berry to the Board presented an opportunity to reconfigure various Board Committees assignments to distribute duties and responsibilities equitably. After discussion among the Commissioners, the following Committee assignments were agreed, and appointments made by Chairman Klein:

Board Committee	Committee Chair	Board Committee Members			
Executive Committee	Andrew Klein	R. Berry	C. Ure		
Audit Committee	Christopher Ure	N. Gregoire	S. Wellins		
Building Committee	Andrew Klein	R. Berry	C. Ure		
Broward Health Foundation	Christopher Ure				
Children’s Diagnostic & Treatment Center	Steven Wellins				
Compliance Committee	Nancy Gregoire	R. Berry	A. Klein	C. Ure	S. Wellins
Finance Committee	Ray Berry	N. Gregoire	A. Klein	C. Ure	S. Wellins
Governance Committee	Andrew Klein	N. Gregoire	S. Wellins		
Human Resources Committee	Steven Wellins	R. Berry	C. Ure		
Joint Conference Committee	Nancy Gregoire	A. Klein	S. Wellins		
Legal Affairs and Governmental Relations	Nancy Gregoire	R. Berry	A. Klein	C. Ure	S. Wellins
Pension and Investment Committee	Christopher Ure	R. Berry	S. Wellins		
Quality Assessment & Oversight	Nancy Gregoire	R. Berry	S. Wellins		
Risk Management & Claims Review	Nancy Gregoire				
Community Relations Councils:					
Broward Health Imperial Point	Ray Berry				
Broward Health Coral Springs	Nancy Gregoire				
Broward Health Medical Center	Steven Wellins				
Broward Health North	Christopher Ure				
Primary Care	Steven Wellins				
Senior Services	Steven Wellins				

MOTION:

Motion was made by Commissioner Wellins and seconded by Commissioner Gregoire to approve all appointments recommended by Chairman Klein.

Motion carried unanimously.

APPROVAL OF MINUTES:

Chairman Klein asked the Board members for any comments related to the Minutes which had been circulated for review of seven prior Board of Commissioner meetings:

1. Special Board Meeting Minutes dated January 22, 2018
2. Special Board Meeting Minutes dated January 23, 2018
3. Special Board Meeting Minutes dated January 31, 2018
4. February Board Meeting Minutes dated March 28, 2018
5. March Board Meeting Minutes dated March 28, 2018
6. Special Board Meeting Minutes dated April 18, 2018
7. April Board Meeting Minutes dated April 18, 2018

MOTION:

Motion was made by Commissioner Ure and seconded by Commissioner Wellins to approve the minutes of the seven Board Meetings referenced above.

Motion carried unanimously.

COMMITTEE REPORTS:

Pension & Investment Committee

April 16 & April 17, 2018

Commissioner Ure

Commissioner Ure reported that strong and solid changes were made to Broward Health's asset allocation. He felt the group of outside managers that Segal Marco invited were tremendously qualified. The performance of the overall unrestricted fund and pension plan were spectacular.

Human Resource Committee

April 24 & May 30, 2018

Commissioner Wellins

Commissioner Wellins reported that at the April 24th meeting there was discussion about the proposed Management Incentive Compensation Plan. Eligibility requirements for Tier-Two Employees were worked out and are referenced in the Minutes from said meeting. There were unresolved issues as to eligibility, scoring and such for Tier-One Employees. At the earlier HR meeting that same day, there was discussion related to issues regarding the balanced score card, Corporate Integrity Agreement metrics and eligibility. A legal benefits counsel, Doug Anning, attended meeting via telephone as a resource. The Human Resources Committee was not able to resolve all issues, therefore a workshop including all Board members was agreed.

Quality Assessment & Oversight Committee**May 30, 2018****Commissioner Klein**

Commissioner Klein reported that the QAOC Committee met earlier that day. New streamlined formats for reporting were realized. There was good news regarding Leap Frog scores. Unfortunately, some of the results are reported on a delayed basis, which in some respects activity from three to four years ago (3-4) is being graded on now. Nonetheless, they are trending in a very positive direction. Some of the things addressed by the Committee have been forwarded to the Board for consideration.

Legal Committee**May 30, 2018****Commissioner Gregoire**

Commissioner Gregoire reported that Ms. Barrett provided the Legal Committee with contracts that have to be approved by the Board. A comprehensive explanation was given to why and when contracts come to the Board and why salaries at times seem high due to the positions being difficult to fill. Ms. Barrett also provided redacted copies of the form agreements that are in common use throughout the system. There is an effort to bring consistency to the contracts so that although the numbers may differ, the terms would be identical throughout any particular given class of contracting entities. In addition, Ms. Barrett gave an overview of the utilization of outside counsel over the past five years, and how it has changed dependent on amount of current litigation and/or compliance issues.

Compliance Committee**May 30, 2018****Commissioner Gregoire**

Commissioner Gregoire requested the Chief Compliance Officer provide an overview of how Compliance works and what precedes it. Mr. Hartfield provided an organization chart with a description at the Compliance Committee meeting. In addition, he produced a report of the open hotline cases, which included a variety of complaints such as, billing and coding issues, conflict of interest, human resources and patient complaints. Mr. Hartfield explained the process from when a complaint is first received, the process of investigation and the resolutions made. A report will be made on whether the complaints were founded or unfounded, in addition to whether they resulted as a reportable event. Mr. Hartfield also provided a flow chart of the Corporate Compliance Department, listing each specialty and how each one relates or reports to one another.

Finance Committee**May 30, 2018****Commissioner Klein**

Commissioner Klein reported that the interim financial statement was received at the Finance Committee Meeting earlier that day for the month of April 2018. Mr. Goldsmith reported that financial results continue to trend in a positive direction and there will be further updates and forecasts as the end of the fiscal year approaches.

MEDICAL STAFF FACILITY UPDATES:**Chief of Staff Report**

Broward Health North: Dr. Maheshwari introduced himself to the Board and expressed thanks for allowing the Chief of Staff from each facility to be added to the Agenda. He believes it's important that the updates be made by the appropriate positions.

Broward Health Imperial Point: Dr. Jensen introduced himself and gave a brief history of his career at Broward Health. He thanked the Board for allowing him to report at a local level.

Broward Health Coral Springs: Dr. Zingaro, Chief of Staff to Coral Springs, was absent.

Broward Health Medical Center: Dr. Morrison thanked the Board and Ms. Capasso for the invitation. He praised the Broward Health Graduate Medical Education Program and reported 48 medical residents will graduate in June. Commissioner Wellins asked Dr. Morrison to invite one of the graduates to a future meeting to share their experience in the program.

4. MEDICAL STAFF / CREDENTIALING UPDATE: Dr. Andrew Ta

4a) Broward Health North

4b) Broward Health Imperial Point

4c) Broward Health Coral Springs

4d) 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. Ta reported that system wide, there was a total of 15 New Physician and 11 Allied Health Professional Initial Appointments. One physician at BHMC was recommended for membership without privileges (Spine Surgery). This recommendation was made to accommodate the applicant while waiting for his associate to obtain membership and clinical privileges to ensure adequate cross coverage.

A total of 121 Physician(s) and 15 Allied Health Professional Reappointments were recommended for approval as submitted. There were 33 voluntary resignations. There were no involuntary resignations or suspensions.

All appointments and reappointments were reviewed and approved by the C&Q Committee and MEC at each facility in accordance with the Medical Staff Bylaws and Rules and Regulations.

There were no reportable events to the National Physician Data Bank for the current month however there is one physician whom reported an outlier to Broward Health North. BHN accepted the physician's request for a leave of absence which is included in the credentials report herein for review and consideration by the Board of Commissioners.

Committee Appointments:

Broward Health Medical Center added Frank Hull, M.D. to the P&T Committee.

ADDENDUM to the April BHCS Board Report Attachments

Dr. Simon Zeichner was resigned at the April 2018 Board of Commissioners Meeting. The resignation is being rescinded until the June meetings to show the actual requested resignation date of June 12, 2018 due to an error on the part of the Medical Staff Office.

MOTION:

Motion was made by Commissioner Wellins to approve Medical Staff Credentialing. Motion seconded by Commissioner Ure.

Motion carried unanimously.

PRESIDENT/CEO UPDATE: – Beverly Capasso

Ms. Capasso reported that, she had recently been proud to represent Broward Health and share the institutional knowledge, unfortunately gained through recent tragedies in a presentation to over one hundred healthcare executives at a conference in Orlando. She had focused on the importance of preparedness to provide these leaders while sharing insights to effectively manage mass casualty tragedies.

She reported that improvements to quality at Broward Health had been recognized over the past year. Broward Health Hospitals have received over 25 awards from organizations including the Joint Commission, National Committee for Quality Assurance, American Heart Association, American Society of Clinical Oncology, American Nurses Association, and the American Stroke Association for providing high quality care. The leadership team shared the kudos and the vision of further improving the quality of care as Hospital Week and Nurses Week were recently celebrated at Broward Health with a series of events throughout the District.

Broward Health has a stronger leadership team than at the same time last year. More than 20 executive positions have been filled with highly qualified individuals since July 2017. Ms. Capasso noted that the new executive leadership team including a new COO and CFO along with a strengthened team of CEOs at the individual hospitals had achieved significant improvements in operational and financial performance. The new leadership team renegotiated contracts with suppliers of services and supplies to reduce costs and enhance performance requirements. Additionally, internal operational and overhead costs have been reduced.

Talented new Human Resources professionals have had great success not only in the identification and recruitment of the new members of this strengthened executive team but also in the broader war for talent by recruiting and retaining registered nurses and health care professionals. This helped the hospitals to reduce the prior excessive overtime and reliance on higher cost agency nurses with a mark-up to outside providers.

The total savings identified during the first year were nearly \$31 million including \$22 million from renegotiations of contracts with providers of services and supplies, \$5 million from operational improvements and \$4 million from the savings achieved in reducing the prior excessive overtime and use of high cost agency nurses. Additionally, a financial stewardship review of the assets of the health system had been initiated and already identified assets not required for current or future needs of the health system. These include several real estate parcels accumulated over past decades. These assets will be retired or sold to reduce both ongoing costs and raise funds which will further reduce the burden on taxpayers.

Mrs. Capasso noted that the savings generated by the new leadership team, while simultaneously focusing on improving the quality of care provided by Broward Health, had allowed a reduction in the property tax millage rate burden on taxpayers required to subsidize indigent care by the Broward Health public health care system. She noted that the team would soon be presenting a budget for the next fiscal year with further reductions to the property tax millage rate and further improvements to the quality of care provided.

Significant growth has been experienced this fiscal year with the completion of several capital projects, including a planned unveiling of the new tower at Broward Health Coral Springs in a few weeks. Ms. Capasso extended a personal invite to a Community Breakfast scheduled on June 9th at 8:30am at Broward Health North. Local community and religious leaders will be present.

CONSENT AGENDA:

MOTION:

Commissioner Wellins motioned to move the Acceptance of Interim Financial Statement for April 2018 from the Discussion Agenda to the Consent Agenda. Seconded by Commissioner Gregoire.

Motion carried unanimously.

9. Authorize the President/CEO to approve and enter into a new (2) year agreement at the 75th percentile with Dr. Nadia Cumberbatch for Adult Family Medicine and Pediatric Primary Care services.
10. Authorize the President/CEO to approve and enter into a new (2) year agreement at the 75th percentile with Dr. Lori Marcu for adult Family Medicine services.
11. Authorize the President/CEO to approve and enter into a new (2) year Agreement with Dr. Zahra for Hematology Oncology services.
12. Authorize the President/CEO to approve and enter into a new (2) year agreement with Himage Solutions for professional fee coding services.
13. Authorize the President/CEO to approve and enter into a new 2-year Agreement with Dr. Monica Rubio Martinez for pediatric endocrinology services.
14. Acceptance of the Interim Financial Statement for the month of April 2018

MOTION:

Commissioner Ure motioned to approve items 9 through 13 (#13 was formerly #15 on Discussion Agenda) on the Consent Agenda. Seconded by Commissioner Gregoire.

Motion carried unanimously.

DISCUSSION AGENDA:

MOTION:

Commissioner Ure motioned to add the ENT, Ophthalmology and Vascular Thoracic On-Call discussion to the Discussion Agenda. Seconded by Commissioner Gregoire.

Motion carried unanimously.

MOTION:

Commissioner Ure motioned to add the Tier-Two Employee Human Resource Committee recommendation for Fiscal Year 2017-18 to the Discussion Agenda. Motion seconded by Commissioner Gregoire.

Motion carried unanimously.

15. ENT, Ophthalmology, Vascular Thoracic On-Call Discussion

Mr. Santorio reported that the three specialties that Broward Health is having a difficult time filling as it relates to the trauma program are ENT, Ophthalmology and Vascular Thoracic On-Call services. The rates that were approved for Thoracic Vascular are in the 79% (above the 75% is brought to the Board). For Ophthalmology the rates are at the median, however the rate is higher than what the fair market value company was suggesting the burden is. South Florida is unique regarding ENT and Ophthalmology, as there aren't many independent physicians interested in taking the calls. Mr. Santorio stated that the ENT rate that needs to be negotiated is just above the 90th percentile, but still at fair market value and the Ophthalmology is at the 50th percentile, but higher than the burden reflected. PYA, Broward Health's fair market value company, stated that it is at FMV and commercially reasonable. Mr. Santorio stated that if he cannot go forward with these higher rates the alternative would be contracting with Locums, which is significantly more expensive. Mr. Santorio requested the Legal Committee recommend that the Board give the President and CEO authority to contract these three specialties at fair market value. Although he does not have the contracts completed, it is urgent to discuss the issue now and not wait to the next Board Meeting.

Ms. Barrett stated that Legal would not make the determination whether the contracts are at FMV or commercially reasonable, however they would provide guidance to the extent that the rates are higher than what the burden would suggest it is. Legal's recommendation is to move off those contracts as soon as possible by employing community physicians in ENT, Ophthalmology, and Vascular Thoracic services so that the rate go down. She further explained that this recommendation was documented and provided to the appraiser who said the inability to get the physicians otherwise and due to the need for service at the two trauma centers there is no other choice, provided that significant efforts are made to change it as soon as possible.

MOTION:

Commissioner Ure motioned to approve item #15, authorizing the President/CEO of the Broward Health North District to enter into agreements for ENT, Ophthalmology and Vascular Thoracic contracts, at Fair Market Value. Motion seconded by Commissioner Wellins.

Motion carried unanimously.

16. Recommendation for Steering Committee for Community Care Partnership Issues

Commissioner Wellins reported that at the Strategic Planning Meeting a recommendation was made to create a Steering Committee comprised of a few Board Members to work with CCP when strategic business issues arise. He believes it would be helpful that the Board support Mr. Santorio in furthering a relationship with CCP and bring recommendations to the Board for approval.

Ms. Barrett explained that this would be considered a Special Committee under the Bylaws that would be created at the discretion of the Chair who appoints the members and the scope. Once the scope is done, the Board can decide when to dissolve the Special CCP Committee. It is not time-limited; however, it is purpose-limited.

There was further discussion related to the recommendation to create the Special Committee, in addition to the structuring it to comply with all laws reduce risk. Mr. Santorio confirmed that Memorial, CCP and Broward Health all have their own Legal Counsel.

MOTION:

A motion was made that the Community Care Partners Special Committee be formed by Commissioner Klein, motion seconded by Commissioner Wellins.

Motions carried unanimously.

MOTION:

Commissioner Wellins motioned to approve the scope of the Community Care Partners Special Committee serve for the purpose of providing guidance relative to the Community Care Partners and evaluating proposals brought by Senior Management to the Committee for recommendation or informational purposes to the Board, as a matter of policy. Motion seconded by Commissioner Gregoire.

Motions carried unanimously.

Commissioner Berry and Commissioner Wellins were both appointed as Members to the Community Care Partners Special Committee by Chairman Klein.

17. Approve Tier-Two Employee recommendation for Fiscal Year 2017-18 from the April 24th, Human Resource Committee Meeting

Mr. Nyamora noted the HR Committee Motion recommended the Board *'add additional criteria to be met for the second payment under the 2018 fiscal year compensation plan to include the submission of the annual report required under the Corporate Integrity Agreement to release the balance of the incentive compensation payment for the Tier-Two Employees.'*

The Board discussed the proposed payment schedule of both the first half of the incentive payment to Tier-Two employees and for the payment of the second half of the incentive payment to Tier-Two employees along with eligibility requirements.

Commissioner Klein summarized criteria for payment of the second half of the incentive bonus. One is the timely submission of the annual report under the Corporate Integrity Agreement and the second is Board acceptance of the audited financials confirming that the financial threshold criteria were met for fiscal year 2018.

Commissioner Klein drew attention to the status of the former incentive plan, as he believes it should be terminated to avoid liability for the system.

MOTION:

Commissioner Wellins made a motion seconded by Commissioner Ure that the Board formally eliminate any prior compensation plans that may have existed, theoretically existed, funded or unfunded in theory, in concept or in practice at Broward Health prior to fiscal year 2017-18.

Motion carried unanimously.

MOTION:

Commissioner Wellins made a motion that the Board accept the HR Committee's recommendation for Tier-Two Employees incentive compensation plan for fiscal year 2017-18 that includes a 50% payment to Tier-Two Employees only at the acceptance of the Board's financial statement and that the second half of the payment is not paid until a timely submission of the CIA and audited financials have been accepted by the Board, subject to the employee being eligible due to length of service, continuous employment for six months and a day or longer, any full calendar month beyond six months and a day would be paid on a prorated basis, eligibility would also be subject to any existing policy that Broward Health may have related to exemptions, the employee must be employed at the time the payment is being made, and have no disciplinary issues to the extent that it's not otherwise covered in another policy for fiscal year 2017-18 only. Motion seconded by Commissioner Gregoire.

Motion carried unanimously.

18. Contract Processes for Senior Executives

Commissioner Wellins reported that it was at his request to have a Special Board Meeting to discuss contracting processes for non-Board reports in a generic fashion as well as Board reports in a more detailed fashion.

Mr. Nyamora reviewed the document referenced in the Board Book as tab #14. He noted that there were two tracks referenced on the document regarding employment contracts.

One was for contracts that need a ratification, such as for regional CEOs. The second was for positions reporting directly to the Board and negotiated by a Board designee with support from Human Resources and Legal. A discussion of the current process and potential future improvements followed.

There are currently three individuals who report directly to the Board. They are the CEO, General Counsel and Chief Compliance Officer. The contract for the CEO had been approved at the March meeting. The contract for the General Counsel had a clause allowing it to auto-renew absent action by the Board. The Board was informed this had had occurred in the prior month.

Further discussion revolved around the form of the CEO contract recently negotiated in hiring Ms. Capasso and the auto-renewal clause which had recently been triggered relative to Ms. Barrett's contract. The Board members expressed a desire to agree on a standard form of contract in advance of future senior level executive changes along with a mechanism for ensuring members are made aware any material language changes negotiated from that desired standard form.

Additionally, the Board discussed the need to set up the mechanisms for annual performance reviews for the three individuals currently reporting to the Board along with the need for a separate discussion of the bonus criteria for the CEO.

The CEO is a participant in the Management Incentive Program for Tier One employees as are the other two Board reports - General Counsel and Chief Compliance Officer. However, in addition to participating in the Management Incentive Program, the contract negotiated with Ms. Capasso includes the potential to earn an additional 20% bonus annually for the effective improvement of Broward Health's Compliance Program in compliance with the Corporate Integrity Agreement for each reporting period.

There was discussion of potential target overlap between the goals in the balanced scorecard proposed for the Management Incentive Program for all senior executives and the targets used in Ms. Capasso's individual potential bonus for the effective improvement of Broward Health's Compliance Program.

Commissioner Klein suggested that there are two issues which should be considered separately. The first is the contract process and how to proceed with that going forward in addition to discussing the resources necessary to accomplish that.

The second is the annual performance review process for the three individuals reporting to the Board including the measures upon which the CEO will be measured pursuant to the clause negotiated into her contract related effective improvement of Broward Health's Compliance Program. Commissioner Klein suggested having the workshop preceding a Board Meeting or directly after a Board Meeting related to this second issue to enable all Board members to attend.

Commissioner Klein added that at a subsequent date, following the July Board Meeting, an additional Special Board Meeting in the form of a workshop will be scheduled to address contract processes, contract flow chart and creation of a standard form template, etc.

COMMENTS BY COMMISSIONERS:

Commissioner Berry thanked everyone for welcoming him. He especially thanked the staff for the last two weeks of training and answering all his follow up questions. He looks forward to serving on the Board.

Commissioner Gregoire emphasized to Ms. Capasso that anything discussed earlier was not intended to be personal and that the Board thinks Ms. Capasso is performing wonderfully. However, as stewards of Broward Health, she believes the Board would fail if it did not improve the contract process for Board reports.

Commissioner Wellins further echoed Commissioner Gregoire's sentiment. He feels Ms. Capasso is the right person to lead the organization, however the contract process is bigger than any one person.

Commissioner Ure thanked Commissioner Berry for joining the Board and sharing his experience and assistance at the meetings earlier.

Commissioner Klein welcomed and thanked Commissioner Berry for his contributions. He believes the organization is attaining the right results in finances and quality, however can still improve on the mechanisms used to attain them.

MEETING ADJOURNMENT:

MOTION:

Commissioner Wellins motioned to adjourn the meeting, seconded by Commissioner Ure.

Motion carried unanimously, and the meeting was adjourned at 7:51 pm

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

*Audiotape available upon request.