

RE: BOARD OF COMMISSIONERS MEETING
SPECIAL BOARD WORKSHOP / CEO ANNUAL REVIEW & COMPLIANCE METRICS
DATE: JULY 26, 2018 TIME: 10:00 A.M.

MEETING CALLED TO ORDER: 10:00 a.m.

MEETING ADJOURNED: 2:37 p.m.

PRESENT: Chairman Klein/Chair, Commissioner Ure/Vice Chair, Commissioner Wellins/Member, Commissioner Gregoire/ Member, Commissioner Berry/Secretary/Treasurer

THE PLEDGE OF ALLEGIANCE: Commissioner Wellins

PUBLIC COMMENTS:

1. Attorney James Lupino, from Hershoff, Lupino & Yagel: Mr. Lupino introduced himself as Ms. Capasso's attorney and further informed the Board that she authorized him to make a proposal on her behalf, however he wanted to be clear that this is not a renegotiation to her contract. Mr. Lupino shared history of Ms. Capasso's involvement as a prior Board Member and Interim CEO. Mr. Lupino stated that Ms. Capasso is currently paid less than her two closest counterparts at Jackson and Memorial, both of whom are male. Under Article 4.1 Improvement of the District's Compliance Program, Ms. Capasso is eligible to receive a potential 20% at risk bonus and is also eligible to receive a potential 30% bonus as a participant in the Management Incentive Program under Article 7.1. Ms. Capasso would like to propose that the portion of the at risk pay, in Article 4.1, adopt the same targets as in the Management Incentive Plan or be replaced with an equal adjustment in the CEO's potential payout within the Management Incentive Program.

TOPIC OF DISCUSSION: Discuss and create metrics for the annual review of the President/CEO relative to effective improvement of the North Broward Hospital District's Compliance.

Commissioner Berry clarified that Ms. Capasso does not earn less than her two male counterparts as according to the recent internal Gallagher report, her total potential package is at \$1.35 million. Commissioner Berry requested Mr. Lupino not report or insinuate information that is not accurate.

Discussion ensued regarding the CEO bonuses and whether they should be earned in combination.

MOTION: Commissioner Gregoire moved to separately consider section 4.1 of Ms. Capasso's contract and develop metrics to evaluate her under section 4.1 of the contract, seconded by Commissioner Wellins.

Commissioner Berry asked that the record show that the 20% bonus stipulates effective improvement, not compliance.

Commissioner Klein opined it would makes sense to consolidate the performance of the CEO with the performance of everyone else under the Management Incentive Plan.

ROLL CALL: Chairman Klein (no), Commissioner Ure (no), Commissioner Wellins (yes), Commissioner Gregoire (yes), and Commissioner Berry (yes). **Motion carried 3 to 2.**

Mr. Hartfield briefly itemized the nine (9) items listed in the Corporate Integrity Agreement.

Discussion ensued between Board Members and Mr. Hartfield in regards to Reportable Events, as well as the issues with Compliance 360.

PROPOSED CEO METRICS:

1. Contracts:
 - a) All focus arrangement contracts must be within the Compliance 360 system
 - b) All non-focus arrangement contracts must be within Compliance 360 system
 - c) Completion of all requisite fields within the Compliance 360 that are required to meet the needs of the compliance program
2. Timely submission of the annual report under the CIA, with improvement reported year to year correlated to the annual Board certification
3. Positive feedback from the monitor relative to the District's compliance with the Corporate Integrity Agreement
4. Payments to vendors:
 - a) No payment will be issued without the contract being in Compliance 360 system
 - b) Payment would be consistent with the terms of the contract that were entered in Compliance 360
6. Effective training and education of all Broward Health personnel under the requirements of the Corporate Integrity Agreement.
 - a) Survey employees in effort to measure if the training given was effective
7. Compliance with Broward Health policies and procedures

Commissioner Berry asked Ms. Capasso the following;

- As the President/CEO and as a former Board Member, if she believed the measures currently being listed merit a \$150k bonus, and if not what would she add?
- If she were able to receive a combined 50% bonus, what would she feel would merit a \$375k bonus?

Ms. Capasso stated that contracts are probably the number one challenge currently at Broward Health and that letters of engagement should probably be added to the list. In regards to overall compliance, great improvement has been seen this past year and should be taken into consideration. She agreed that the list of metrics currently being created are important and that Mr. Hartfield and Legal need to be involved as should her team.

Commissioner Wellins opined that Ms. Capasso should not be held responsible for small agreements, such as a piano player offering a onetime \$300 service for a Broward Health event. This should not be held against her. She should however be held responsible for completing the transition from Medi-Track to Compliance 360. Commissioner Wellins does not believe the individual metric stipulating no payment will be issued without the contract being within the Compliance 360 system should be listed as a metric as that is a policy and not a measureable goal. He opined that it probably

should be reported on a quarterly or annual basis related to how many payments were presented for contracts that were not in the system. That would be a measureable number. Commissioner Wellins also asked Ms. Capasso to list any additional metrics she believes she could be evaluated on.

Ms. Capasso requested some time to look over the metrics that were currently discussed and that she would be happy to come back to the Board with any additions that could be included.

Discussion ensued regarding what the range of time should be, in which Ms. Capasso would be evaluated.

Mr. Goldsmith suggested that the internal audit department review the results of each individual metric and provide a report to the Board, being that the department is independent.

Mr. Crooks, Chief Internal Auditor, confirmed he could provide an audit reporting whether the objectives within the CEO compliance metrics were met.

Mr. Goldsmith recommended measuring all contracts uploaded in the 360 Compliance system, between February 1st, 2018 and January 31st, 2019. He volunteered to bring the exact number of contracts that are in 360 Compliance to the Board, including both focus arrangements and non-focus arrangements.

Mr. Goldsmith reported he has employees working Saturdays and Sundays and is considering bringing in a second shift just to get the contracting process done.

In relation to progress, Commissioner Wellins asked Mr. Goldsmith to report where he believes they are in 360, where they want to be and how long he believes it will take to get there. Mr. Goldsmith agreed.

Commissioner Klein listed the following as follow-up action items:

Item 1: Receive information on where we are today related to Compliance 360.

Item 2: Would be obvious as the measurement is based on whether or not the certification report is filed annually on a timely basis and whether or not there was improvement. Consider this follow up a Board Item.

Item 3: Monitor feedback reflecting increased compliance. Developing a mechanism for obtaining that feedback while consistent with what the Monitor is comfortable with.

Item 4: Payments have to be made if there is a contract. If payment is made without a contract, it would be flagged and reported as one of the measures. Developing the measurement on how many are acceptable and how many are not. Payments were made in compliance with the terms of those contracts. How many we think in a system our size might slip through the cracks. Audit will obtain a sample size as it would not be feasible to review every single payment.

From a payment perspective, Mr. Goldsmith requested that the Board make a decision whether they believe it should be measured as a positive or negative when senior managers perform a check and balances to stop payment(s), however a settlement might be necessary.

MINUTES

Mr. Santorio reported he maintains a log of every exception that comes through the organization so that he could start identifying trends related to how many focus arrangements payments were presented in the course of a year that should have been in Compliance 360, but were not.

Since there should not be an enormous percentage of auto renew contracts that are not auto renewing, Commissioner Wellins requested the information be reported for informational purposes and not as a metric.

NOTE: Chairman Klein was not able to complete the follow-up list referenced above, as a long discussion ensued regarding focus arrangements as a priority. The current meeting was adjourned in an effort to transition to the next Special Board meeting related to the Management Incentive Plan, as publicly noticed.

Commissioner Berry recommended the Human Resource Committee call a meeting to continue to build and expand the remaining metrics related to Compliance 360 and the CEO performance metrics. Once Board could decide, vote and move on. Commissioner Wellins agreed to call a Human Resource meeting.

Commissioner Klein requested the item be listed on the agenda at the next Board meeting. Commissioner Ure requested it be set on a date in which all Board Members could participate and urged it be scheduled on the already agreed to Committee day, second to last Wednesday of the month. All five Board Members agreed to make themselves available.

NEXT REGULAR BOARD MEETING: The next regularly scheduled Board of Commissioners' meeting will be held on July 26, 2018 at 3:00 p.m. in Broward Health Corporate Office, Spectrum Site, 1700 NW 49 Street, Suite 150, fort Lauderdale, Florida.

MEETING ADJOURNMENT: Meeting was adjourned at 2:37 p.m.

MOTION: Commissioner Berry motioned to adjourn, seconded by Commissioner Ure. **Motion carried unanimously.**

AUTHENTICATION OF MINUTES: Patricia Alfaro, Special Assistant to the Board of Commissioners.

*Audiotape available upon request.

Respectfully submitted,

Commissioner Ray T. Berry
Secretary / Treasurer