# Table of Contents

1. Notice of Meeting..................................................................................................................2  
2. Call to Order..........................................................................................................................3  
3. Roll Call....................................................................................................................................3  
4. Public Comments..................................................................................................................3  
5. Approval of Minutes..............................................................................................................3  
6. Topic of Discussion...............................................................................................................6  
   6.1. Chair Discussion of Revenue Cycle............................................................................6  
      6.1.1. CFO Presentation, Revenue Cycle Consultant Recommendations..................6  
      6.2. SystemWide, Hematology Lab Services Lease, Sysmex of America.......................16  
7. Adjournment........................................................................................................................18
NOTICE OF MEETING

NORTH BROWARD HOSPITAL DISTRICT

BOARD OF COMMISSIONERS

A Finance Committee meeting will be held on Wednesday, July 24th, 2019, immediately following the Compliance and Ethics Committee meeting, at the Broward Health Corporate Spectrum Location: 1700 Northwest 49 Street, Fort Lauderdale, Florida, 33309. The purpose of this committee meeting is to review and consider any matters within the committee’s jurisdiction.

Persons with disabilities requiring special accommodations in order to participate should contact the District by calling 954-473-7100 at least 48 hours in advance of the meeting to request such accommodations.

Any person who decides to appeal any decision of the District’s Board with respect to any matter considered at these meetings will need a record of the proceedings, and for such purpose, may need to ensure that a verbatim record of the proceedings is made which record includes testimony and evidence upon which the appeal is to be based.
FINANCE COMMITTEE MEETING
Immediately Following Compliance & Ethics Committee Meeting
June 25, 2019

1. NOTICE

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 Committee, is attached to the official Minutes as EXHIBIT II.

2. CALL TO ORDER 1:54 pm

3. COMMITTEE MEMBERS

√ Commissioner Ray T. Berry, Chair
√ Commissioner Andrew M. Klein
√ Commissioner Christopher T. Ure (WebEx)
√ Commissioner Nancy W. Gregoire
√ Commissioner Stacy L. Angier
X Commissioner Marie C. Waugh (absent)

ADDITIONALLY PRESENT Gino Santorio/CEO, Alan Goldsmith/CAO, Alex Fernandez/CFO, Linda Epstein/General Counsel, Brett Bauman/Associate General Counsel, Nigel Crooks/Chief Internal Auditor

PUBLIC COMMENTS None

4. APPROVAL OF MINUTES

Approval of Finance Committee meeting minutes dated May 22, 2019.

MOTION It was moved by Commissioner Angier, seconded by Commissioner Klein, to:

APPROVE THE FINANCE COMMITTEE MEETING MINUTES DATED MAY 22, 2019.

Motion carried unanimously.

5. TOPIC OF DISCUSSION

Note: Chair Berry modified the order of agenda items.
6.5. Approve specified changes to ensure compliance for Healthcare for the Homeless Grant, HRSA – Beth Cherry

**MOTION** It was moved by Commissioner Angier, seconded by Commissioner Gregoire, that:

THE FINANCE COMMITTEE RECOMMEND THAT THE BOARD OF COMMISSIONERS OF THE NORTH BROWARD HOSPITAL DISTRICT AUTHORIZE THE PRESIDENT/CEO TO APPROVE THE SPECIFIED CHANGES TO ENSURE COMPLIANCE WITH CONDITIONS OF GRANT AWARD FOR HRSA GRANT #H80CS00019.

Motion carried unanimously.

6.1. Acceptance of the Interim Financial Statement for the month of May, 2019

6.1.1. CFO Presentation - Alex Fernandez

Mr. Fernandez presented the financial statement for the month of May 2019, highlighting the gains and losses systemwide.

**MOTION** It was moved by Commissioner Angier, seconded by Commissioner Gregoire, that:


Motion carried unanimously.

6.2. Systemwide, Approve fully integrated Pharmacy Retail Management System, Script-Pro Inc.

**MOTION** It was moved by Commissioner Gregoire, seconded by Commissioner Klein, that:

THE FINANCE COMMITTEE RECOMMEND THAT THE BOARD OF COMMISSIONERS OF THE NORTH BROWARD DISTRICT AUTHORIZE THE PRESIDENT/CEO TO ENTER INTO A CONTRACTUAL AGREEMENT WITH SCRIPT-PRO THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER, SELECTED PER THE FORMAL RFP PROCESS, IN THE AMOUNT OF $924,855.00.

Motion carried unanimously.

6.3. Broward Health Medical Center, approve Psychiatry On-Call coverage

**MOTION** It was moved by Commissioner Angier, seconded by Commissioner Gregoire, that:
THE FINANCE COMMITTEE RECOMMEND THAT THE BOARD OF COMMISSIONERS OF THE NORTH BROWARD HOSPITAL DISTRICT AUTHORIZE THE PRESIDENT/CEO TO ENTER INTO A CONTRACTUAL AGREEMENT FOR PSYCHIATRY ON-CALL SERVICES AT THE 80TH PERCENTILE.

Motion carried unanimously.

6.4. Systemwide, approve funding for Locum Tenens coverage

MOTION It was moved by Commissioner Angier, seconded by Commissioner Gregoire, that:

THE FINANCE COMMITTEE RECOMMEND THAT THE BOARD OF COMMISSIONERS OF THE NORTH BROWARD HOSPITAL DISTRICT AUTHORIZE THE PRESIDENT/CEO TO APPROVE THE ADDITIONAL FUNDING OF UP TO TWO MILLION DOLLARS TO PAY FOR THE LOCUMS TENENS SERVICES TO SUPPORT THE ON CALL REQUIREMENTS OF THE LEVEL I AND LEVEL II TRAUMA SERVICES.

Motion carried unanimously.

7. ADJOURNMENT 3:13 pm

MOTION It was moved by Commissioner Klein, seconded by Commissioner Gregoire, to:

ADJOURN THE FINANCE COMMITTEE MEETING.

Motion carried unanimously.

Respectfully submitted,
Commissioner Ray T. Berry, Secretary/Treasurer.
Revenue Cycle Consultant Review

Broward Health has engaged 2 vendors to complete a front to back review of the Revenue Cycle operations:

Current EMR Vendor, Current Patient Accounting Vendor (Invision), Potential New Patient Accounting Solution (Cerner Millennium or Cerner Soarian)

HEALTHRISE

Independent Revenue Cycle Consulting Firm
Patient Access

COMMON FINDINGS:
- Standardization Opportunities
- Centralization of Authorization Process / Financial Clearance Process
- Technology upgrades

• Eligibility Verification multiple solutions
• Various scheduling procedures
• Inconsistent Pre-registration process

• ED Financial Counseling Process
• Evaluate in-source approach
• Review Staffing Pool Model to assist in standardization, improve quality, and reduction in premium pay
COMMON FINDINGS:
- Utilization Review of Patient Status (IP/OBS) with a system-wide approach
- Technology Upgrades

- Enhancement of clinical documentation program
- Computer Assisted Coding
- Billing requests for Medical Records

- Develop detailed Standard Operating Procedures between Case Management, Utilization Review, and Physician Advisor
- Denial Analytics and Root Cause Analysis with defined escalation processes
- Establish System Leader for Denials
COMMON FINDINGS:
- Revenue Cycle Analytics Opportunities
- Optimization of Payment Integrity Compass (PIC)
- Technology Upgrades

- Auto Assigning Plan ID
- Multiple entities in terms of claim scrubbers

- Overhaul staff-level productivity reporting, operational KPIs, quality audit process, team huddle approach, and incentive plan
- Implement targeted process improvement initiatives to address high value opportunities in patient and payor cash
Physician Business Office (PBO)

COMMON FINDINGS:
- Denials Management Opportunities
- Establish queues within Next Gen to work the AR more efficiently
- Technology Upgrades

- Lack of interfacing between Cerner (EMR) and Next Gen
- Revenue leakage from manual process for physician’s fee for hospital work

- Evaluate pre-collection alternatives for vendor vs. in-house approach
- Work with Banking partner to translate lockbox to 835’s, allowing for automated posting
Technology / Analytics

COMMON FINDINGS:

- Determine long-term vision for RCM I.T. solution
- Establish RCM Analytical Department
- Multiple bolt on systems

- Lots of Reports, manually compiling, difficult to have visibility into the systems revenue cycle operation

- Design and implement interim tools (e.g. MS Office) to support prioritization and effective tracking of Physician and Hospital Billing workflows
- Better document workflows where necessary in preparation for a future RCM system
Broward Health Acute – Current State
Broward Health Acute – Future State

Life of a Claim – CDRC Plumbing

<table>
<thead>
<tr>
<th>Pre-Claim</th>
<th>Pre-Visit</th>
<th>Visit</th>
<th>Acute CM</th>
<th>Transaction Processing &amp; AR Mgmt</th>
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<tbody>
<tr>
<td>Contract Negotiations</td>
<td>Referrals</td>
<td>Registration &amp; Check-In</td>
<td>Utilization Review</td>
<td>HIM</td>
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<td>Fee Schedule</td>
<td>Scheduling</td>
<td>278 Notification</td>
<td>Grouper</td>
<td>Chart Abstracting</td>
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<td>Provider Credentialing</td>
<td>EMPI</td>
<td>Workflow Mgmt</td>
<td>CDI</td>
<td>Acute CAC</td>
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<tr>
<td>EDI/ERA Enrollment</td>
<td>Auto Messaging</td>
<td>Scanning</td>
<td>Discharge Planning</td>
<td>Chart Deficiency</td>
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<td>Self Service</td>
<td>Bed Mgmt</td>
<td>Letters</td>
<td>Remittance Posting</td>
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<td>Bill Estimation</td>
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<td>Statements</td>
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<td>Patient Tracking</td>
<td>Post Acute Placement</td>
<td>Transition To Collections</td>
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<td>Co-Pay &amp; Deductible</td>
<td>Patient Payment Arrangement</td>
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<td>Coding &amp; Charge Capture</td>
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<td>Eligibility</td>
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EMR - Embedded Partner - Others - 3M - 3rd Party
Next Steps

• Payor Yield $5.5 – 7.5mil – Implementation of Centralized Denials Management Team.

• Patient Yield $3.5 – 5.5mil – Implementation of new collection agencies, focus on standardized education and customer service trainers, new verification tool, review various payment plan strategies.

• Self Pay Conversion $2 – 2.5mil – Implementation of new technology to assist in collection of documentation for Medicaid applications, formulize ED screen plan and application processing.

• Revenue Optimization $2.5 – 4mil – Implement DRG transfer review, establish chart audit committee, establish daily charge reconciliation, CDM pricing review.

• Cost Saving $2 – 3.5mil – Centralization/Standardization of preregistration, increase automation, reduction in vendor spend with RCM I.T. solution

• Physician RCM Optimization $0.75 – 1mil – Implementation of Denials Task force to focus on root cause analysis and process improvement, establish metrics to focus on front end collection efforts to reduce bad debts, contract for a more in-depth analysis on the PBO opportunities.

• Total Potential Annualized Net Impact at Maturity $16 – 24mil
SUMMARY OF REQUEST

DATE: July 31, 2019

FACILITY: Broward Health Regional Hospitals

PROGRAM/PRODUCT LINE: Laboratory Services/Hematology

REQUEST: Approval for the lease of eight (8) hematology analyzers under a five year lease agreement with Sysmex of America, Inc. Each medical center would lease two upgraded Sysmex instruments. Distribution as follows: Broward Health Medical Center, two XN9100 model instruments, and Broward Health North, Broward Health Imperial Point and Broward Health Coral Springs two XN2000 model instruments.

PURPOSE: The current five (5) year Sysmex of America, Inc. equipment lease agreement (agreement #1010001) will expire on August 17, 2019. A new five year lease agreement will offer upgraded equipment, as well as provide a supply cost savings of $207,000 over the term of the agreement.

CAPITAL REQUIRED: Not applicable.

FISCAL IMPACT: The equipment lease expense over the five year term total is $1,622,000.

BUDGET STATUS: Yes

LEGAL REVIEW: The contract is subject to General Counsel’s review and approval as to legal form and conditioned on no material changes in the approved business terms.

APPROVED: Gino Santorio 07/21/2019 13:06 Eastern Daylight Time

DATE: ___________
MEMORANDUM

TO: Board of Commissioners

FROM: Gino Santorio President/CEO BH

DATE: July 31, 2019

SUBJECT: Approval for the lease of eight (8) hematology analyzers under a five year lease agreement with Sysmex of America, Inc. Each medical center would lease two upgraded Sysmex instruments. Distribution as follows: Broward Health Medical Center, two XN9100 model instruments, and Broward Health North, Broward Health Imperial Point and Broward Health Coral Springs two XN2000 model instruments.

BACKGROUND

For the past five years, Broward Health Hospital Laboratories have used Sysmex XN hematology equipment (instruments) for complete blood cell counts and automated differential testing. These diagnostic laboratory tests aid the physician with diagnosing patients with hematologic blood disorders, such as anemia (iron deficiency, sickle cell), bleeding abnormalities, infections, blood cell cancers, and various other hematologic disease states.

The current Sysmex of America, Inc. lease agreement will expire on August 17, 2019. This agreement includes an equipment lease for eight (8) instruments and a supply agreement for reagents. The request to remain with Sysmex of America, Inc. brand of instrumentation is based on the following value added factors:

- Broward Health labs currently use Sysmex XN instrumentation and reagents for hematology diagnostic testing.
- Employees are familiar with the instrument technology, operation and maintenance. Thereby, reducing the need for training time.
- Continuity will exist for complete blood cell count normal ranges versus switching to a new manufacturer which would require validation studies and establishment of new normal range values.
The new five year equipment lease agreement will offer eight (8) new and upgraded instruments and will include service. The new agreement offers a supply (reagent) cost savings of $41,400 per year for the Broward Health system; resulting in a $207,000 savings over the five year term of the agreement.

**ACTION/PROJECT DESCRIPTION**

Approval for the lease of eight (8) hematology analyzers under a five year lease agreement with Sysmex of America, Inc. Each medical center would lease two upgraded Sysmex instruments. Distribution as follows: Broward Health Medical Center, two XN9100 model instruments, and Broward Health North, Broward Health Imperial Point and Broward Health Coral Springs two XN2000 model instruments.

**FINANCIAL/BUDGETARY IMPACT**

The equipment lease expense over the five year term total is $1,622,000.

**JUSTIFICATION**

- The new agreement will generate a five year operational supply cost savings of $207,000 for the Broward Health System.
- The upgraded equipment will offer improved workflow over current practices by eliminating weekly and monthly instrument maintenance.
- The upgraded equipment will also bring key clinical enhancements for patient testing, which will reduce the need for the technologist to make manual blood cell smears.

**STAFF RECOMMENDATION**

Therefore, it is requested that the Board of Commissioners of the North Broward Hospital District authorize the President/CEO in accordance with section 24 (d) of the North Broward Hospital District Charter, to approve the lease of eight (8) Sysmex XN instruments for a cost of $1,622,000 including instrument service and supply that would be a cost savings of $207,000 over a five (5) year contractual agreement with Sysmex of America, Inc.