

North Broward Hospital District Board of Commissioners  
1700 Northwest 49th Street, Suite #150, Ft. Lauderdale, Florida 33309

### **FINANCE COMMITTEE** **Immediately following the Compliance and Ethics Committee Meeting** **July 22, 2020**

The Finance Committee of the North Broward Hospital District was held on July 22, 2020, immediately following the Compliance and Ethics Committee meeting, via WebEx video conference.

#### **1. NOTICE**

Official notice and agenda of this meeting is attached to the Minutes, as EXHIBIT I and EXHIBIT II, as presented for consideration of the Committee.

#### **2. CALL TO ORDER**

There being a quorum present, the meeting was called to order by Chair Stacy L. Angier at 12:44 p.m.

#### **3. COMMITTEE MEMBERS**

*Present:*

Commissioner Stacy L. Angier, Chair  
Commissioner Ray T. Berry, Vice Chair  
Commissioner Nancy W. Gregoire  
Commissioner Christopher T. Ure  
Commissioner Marie C. Waugh

*Senior Leadership*

*Additionally Present:*

Gino Santorio/President/Chief Executive Officer, Alan Goldsmith/Chief Administrative Officer, Alex Fernandez/Chief Financial Officer, Linda Epstein/Corporate General Counsel, Jerry Del Amo/Deputy General Counsel

#### **4. GOVERNOR'S EXECUTIVE ORDER ANNOUNCEMENT**

General Counsel delivered the Governor's Executive Order for the record, as seen below.

"This public board committee meeting is being conducted through communications media technology in accordance with the Governor's Executive Order No. 20-69, as extended by the Governor's Executive Order No. 20-150 and Section § 120.54(5)(b)2 of the Florida

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Statutes. This meeting is open to the public, and the public may attend this meeting via telephone conference call. The conference call information is currently posted on Broward Health's website. All the requirements of Florida's Sunshine Law are still in effect, including the memorialization of minutes. While not a requirement under Florida law, we will attempt to record this meeting and post it on Broward Health's website for the public and for those who may not be able to attend this live telephone conference."

### 5. PUBLIC COMMENTS

None.

### 6. APPROVAL OF MINUTES

Staff Recommendation: That the Finance Committee of the North Broward Hospital District approve the minutes from June 17, 2020.

**Staff recommendation carried without dissent.**

### 7. TOPIC OF DISCUSSION

7.1. COVID-19 Update – presented by Alex Fernandez, SVP, Chief Financial Officer

Mr. Fernandez gave a COVID-19 update. He noted that the end-of-the-year financials are still in the closing process.

- Broward Health System

A brief high-level report was given on the following categories: (for more detail, go to slide 2 of the Financial Review Fiscal Year 2020 PowerPoint presentation).

- Admissions
- Observation Cases
- Total Hospitalizations
- Total Surgeries ED Visits Net Operating Revenue
- SW & B
- Supplies
- Other
- Depreciation & Common Service
- Net Gain (Loss) from Oper.
- Net Gain/(Loss) from Oper. Budget
- Over (Under)
- Cares Act Funding
  - Up until February 2020 the organization was \$1.6m over budget.
  - Year-to-Date 2020 the organization was \$(48.4m) under budget.
- Cumulative COVID-19 Financial Impact
  - Revenue Impact from Changes in Volume (Month-Over-Month)

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- Volume losses from March 2020 through June 2020 were discussed related to the pandemic impact, as seen below: (for more detail, go to slide 4 of the Financial Review Fiscal Year 2020 PowerPoint presentation).
  - Elective Surgeries
  - OP facilities/clinics
  - Physician clinics
  - Urgent care
  - Emergency departments
    - \$(88m) Net revenue – did not include expenses.
    - Elective surgeries suspended mid-July.
- Debt Service Coverage Ratio (DSCR) in millions: (for more detail, go to slide 5 of the Financial Review Fiscal Year 2020 PowerPoint presentation).
  - Excess of Revenue Over Expenses Less Unrealized
    - Add Depreciation
    - Add Interest Expense
  - Income Available for Debt Service
  - Max Annual Debt Service on LT Debt
  - Annual DSCR (1.1x)
  - Headroom
    - 3.6 year-to-date.
    - CARES Act funding had a huge impact on quick recovery.
- Cares Act Stimulus Funding: (for more detail, go to slide 6 of the Financial Review Fiscal Year 2020 PowerPoint presentation).
  - Received a total of \$74.8 mil in Cares Act funding year-to-date. This does not include the advance and does not have to be repaid.
    - BH received \$ 18.7 million of the \$ 50 billion in the first 2 tranches released of the \$ 100 billion designated to support hospitals and healthcare providers April 20.
    - BH received the following for Safety Net:
      - \$18.6 mil First payment June 20.
      - \$426k Second payment June 20.
      - \$11.3 mil July 20.
    - BH received \$25.8 mil for HHS High Area Impact Payment July 20.

Mr. Fernandez also shared a Centralized Denials Management update, as shown below:

- Centralized Denials Management
  - Broward Health System – Centralized Denials Team go-live date is July 6, 2020: (for more detail, go to slides 8 and 9 of the Financial Review Fiscal Year 2020 Centralized Denials Management PowerPoint presentation).

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- Reports to Managed Care – 9 employees
  - Director of Denials Improvement
  - 4 Clinical Denials Specialist
  - 4 Technical Denials Specialist (1 vacant position)
- Healthrise Team
  - Director
  - Senior Manager
  - Analytical Support Specialist
    - The Clinical and Denials Specialists will conduct comprehensive reviews of denied accounts.
    - and write compelling arguments to ensure payment.
    - Remote due to increased COVID-19 cases.
  - Major Focus Areas
    - Measure – Tracking and trending.
    - Analyze – Where do we need to focus efforts.
    - Improve – Determine corrective actions needed.
    - Tools – Revamp PIC worklist structure.

Since go live we have identified issues across the district with timely admission notifications, status changes and post discharge account corrections. Working in conjunction with the CPAS team, a new Admissions Unit will be launched in August 2020 to streamline the process and reduce the first pass denial rates.

### 7.2. BHCS, Contractual Agreement for OB-GYN On-Call Services

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

Staff Recommendation: That the Finance Committee recommend that the Board of Commissioners of the North Broward Hospital District authorize the District to enter into call coverage agreements for Obstetrics/Gynecology at the 88<sup>th</sup> percentile at Broward Health Coral Springs.

Staff recommendation *carried* unanimously.

### 7.3. BHMC, Contractual Agreement for Orthopedic Surgery On-Call Services

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

Staff Recommendation: That the Finance Committee recommend that the Board of Commissioners of the North Broward Hospital District authorize the District to enter into Emergency Department On-Call Coverage and Inpatient Services Agreement for Orthopedic Surgery at the 90th percentile at Broward Health Medical Center.

Staff recommendation *carried* unanimously.

### 7.4. BHMC, Contractual Agreement for Psychiatry On-Call Services

**MOTION:** It was *moved* by Commissioner Ure, *seconded* by Commissioner Waugh, that:

Staff Recommendation: That the Finance Committee recommend that the Board of Commissioners of the North Broward Hospital District authorize the District to enter into Emergency Department On-Call Coverage and Inpatient Services Agreement for Psychiatry which is greater than the 90th percentile at Broward Health Medical Center.

Staff recommendation *carried* unanimously.

### 7.5. BHC, Authorize to Execute a Lease Agreement with Welltower OM Group, LLC

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

Staff Recommendation: That the Finance Committee recommend that the Board of Commissioners of the North Broward Hospital District authorize the District to execute a ten (10) year Lease Agreement with Welltower OM Group, LLC for 4,808 square feet of medical office space at 600 S. Pine Island Road, Suite 204, Plantation, Florida, 33324, subject to the terms and conditions as outlined in the Executive Summary of Request 1.

Staff recommendation *carried* unanimously.

### 7.6. BHC, Authorize to Execute a Food and Nutrition Management Services Agreement with Aramark Healthcare Support Management Services, LLC

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

Staff Recommendation: That the Finance Committee recommend that the Board of Commissioners of the North Broward Hospital District authorize the District to enter into a 5-Year Food and Nutrition Management Services Agreement with Aramark Healthcare Support Management Services, LLC.

Staff recommendation *carried* unanimously.

### 7.7. FY20 Balanced Scorecard – presented by Gino Santorio and Mark Sprada.

Mr. Sprada introduced Mr. Gary Lawson, Interim Chief Human Resource Officer and Mr. Bob Younskevicius, Senior Associate of Mercer Human Resource Consulting Firm.

# MINUTES

## NORTH BROWARD HOSPITAL DISTRICT

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Mr. Sprada stated that the mercer engagement included a retitling project and a review of the Fiscal Year 2021 incentive compensation plan. Mr. Lawson and Mr. Younskevicius presented their findings to the committee.

\*Due to time constraints and as a result of the scheduled Special Board Tax Announcement Meeting, the Finance Committee meeting recessed.

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

The Finance Committee Meeting of the North Broward Hospital District recessed at 1:29 p.m.

Motion *carried* unanimously.

\*The Finance Committee meeting reconvened at 2:02 p.m. Mr. Lawson and Mr. Younskevicius continued their presentation.

Mr. Santorio presented the Balanced Scorecard Fiscal Year 2021 Indicators for the Broward Health Pillars.

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

The Finance Committee recommend that the Board of Commissioners of the North Broward Hospital District authorize the District to approve the balanced scorecard for fiscal year 2021 for at risk compensation.

Staff recommendation *carried* unanimously.

### 8. **ADJOURNMENT**

There being no further business on the agenda, the Chair adjourned the meeting at 2:20 p.m.

Respectfully submitted,  
Commissioner Marie C. Waugh, Secretary/Treasurer