

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

## **FINANCE MEETING**

### **Immediately Following the Compliance and Ethics Committee Meeting**

**August 19, 2020**

The Finance Committee of the North Broward Hospital District was held on August 19, 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 Marie C. Waugh at 10:54 a.m.

Please note, subsequent to this meeting, at the August 26, 2020 Regular Board Meeting, it was voted that the Finance Committee Chairmanship would be reassigned to Commissioner Stacy L. Angier to complete a two-year term. The Board also voted to assign Commissioner Marie C. Waugh as Finance Committee Vice Chair.

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

*Present:*

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

*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 Governor's Executive Order 20-179 and § 120.54(5)(b)2 of the Florida Statutes. This meeting is open to the public who are able to 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 July 22, 2020.

Staff recommendation *carried* without dissent.

#### 7. **TOPIC OF DISCUSSION**

Commissioner Waugh thanked Commissioner Angier for her work as the previous Finance Committee Chair.

Mr. Fernandez awarded the Finance Chain Award to Commissioner Angier and thanked her for her work, and willingness to learn during a very traumatic year.

7.1. CFO Presentation for July 2020 Financial Performance – presented by Alex Fernandez, SVP, Chief Financial Officer

Mr. Fernandez presented the Financial Fiscal Year 2020 Review through July, as listed below.

Mr. Fernandez stated that the numbers shown in the presentation were in anticipation of the forthcoming approved budget and the September Final Tax Hearing and would be updated as appropriate.

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- Broward Health Systems

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).

- Drivers
  - July was a strong month.
  - CARES Act Funding \$37.1m in CARES Act funding received in July. Anticipate receiving use of funds guidelines from Health and Human Services (HHS) before the September tax hearings.
  - anticipated as \$31m for July.
- Performance
  - Reviewed gain/(loss) on Operations for July 2020.
  - Reviewed gain/(loss) on Operations year-to-date.
- Financial Performance Graph (for more detail, go to slide 3 of the Financial Review Fiscal Year 2020 PowerPoint presentation)
  - Reviewed gain/(loss) on Operations.
- Growth Graph: Trends within year-to-date Hospitalization (for more detail, go to slide 4 of the Financial Review Fiscal Year 2020 PowerPoint presentation)
  - Reviewed trend-hospitalization.
  - Reviewed YTD-hospitalization.
- Growth Graph: Trends within year-to-date Surgeries and Emergency Department (ED) visits (for more detail, go to slide 5 of the Financial Review Fiscal Year 2020 PowerPoint presentation)
  - Reviewed Trend-Hospitalization.
  - Reviewed YTD-Hospitalization.
- Service
  - Drivers (for more detail, go to slide 6 of the Financial Review Fiscal Year 2020 PowerPoint presentation).
    - Community benefit cost in excess of government funding represents the amount of the unfunded costs Broward Health subsidizes through operations.
    - Broward Health Projected for 2021 to subsidize unfunded programs by \$171.5m.
    - Broward Health has subsidized \$6.1m in unfunded programs through July 2020 YTD.
  - Performance (for more detail, go to slide 6 of the Financial Review Fiscal Year 2020 PowerPoint presentation).
    - Reviewed community benefit cost for individual years for FY2017 through 2020.

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- Reviewed community benefit cost YTD 2020.
- Key Financial Indicators (for more detail, go to slide 7 of the Financial Review Fiscal Year 2020 PowerPoint presentation)
  - Drivers
    - Days Cash on Hand is above A-rated benchmark.
    - Debt service coverage is staying above A-rate, not including CARES Act funding received in July – illustrated on a rolling 12 months but will be revised to YTD in January 2021.
    - Debt to Capitalization dropped to 27.0% from 27.8%.
  - Performance
    - Reviewed Days Cash on Hand.
    - Reviewed Maximum Annual Debt Service Charge Coverage.
    - Reviewed Debt to Capitalization.
    - Successful cash collection month due to COVID-19 funding and aggressive follow-up with payors. Totaled to \$20m over target.
    - August remains strong.
- Revenue Cycle Dashboard (for more detail, go to slide 8 of the Financial Review Fiscal Year 2020 PowerPoint presentation)
  - Drivers
    - *Discharged Not Final Billed Discharged (DNFB)* and *Discharged Not Sent to Payer (DNSP)* are ahead of the goal at 4.66 and 4.87 respectively.
    - YTD cash collections started strong at 132.63%.
  - Performance
    - Reviewed revenue cycle for current period.
    - Reviewed revenue cycle YTD.
- FY 2021 Financial Initiative Update (for more detail, go to slide 9 of the Financial Review Fiscal Year 2020 PowerPoint presentation)
  - Key Initiatives – 82% earned
    - Efficiency/Cost Improvement
    - Revenue Cycle
    - Managed Care
    - Non-Operating Financial Strategy

The following short discussions were held:

- Discussions were had regrading elective surgeries and physician visits in that the month of September would be the full gauge as to the increased traction in these areas.

# MINUTES

## NORTH BROWARD HOSPITAL DISTRICT

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- MOPED (Broward Health Medicaid Eligibility) and FCR (Medicaid Pending Financial Class) were also briefly discussed.

Chair Waugh opened the floor for public comments, in which there were none.

### 8. ADJOURNMENT

There being no further business on the agenda, the Chair adjourned the meeting at 11:26 a.m.

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

APPROVED