

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 September 8, 2020

The Finance Committee Meeting of the North Broward Hospital District was held on September 8, 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 10:42 a.m.

#### 3. COMMITTEE MEMBERS

*Present:*

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

*Not Present:*

Commissioner Nancy W. Gregoire

*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.

"This public board 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. 20-193 and Section §120.545(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 requirements of Florida's Sunshine Law are still in effect, including the memorialization of minutes. While

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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

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

Commissioner Waugh joined the meeting at 10:44 a.m.

### 6. APPROVAL OF MINUTES

Without objection, Chair Angier approved the Finance Committee Meeting Minutes for August 19, 2020.

Motion *carried* without dissent.

### 7. TOPIC OF DISCUSSION

7.1. BHPG, Contractual Agreement for Dr. Maxine Hamilton – presented by Gino Santorio, President, Chief Executive Officer

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

The Finance Committee Recommend that the Board of Commissioners of the North Broward Hospital District Authorize the District to Enter into a New Two-Year Employment with a Medical Directorship Agreement Up to the 81<sup>st</sup> Percentile with Dr. Maxine Hamilton for the Provision of International Hospitalist and Internal Medicine Services.

Motion confirmed by roll call vote:

**YES** Commissioner Marie C. Waugh, Secretary/Treasurer

**YES** Commissioner Christopher T. Ure

**YES** Commissioner Ray T. Berry

**YES** Commissioner Stacy L. Angier, Chair

Motion *carried* 4/0.

7.2. Budget Workshop – presented by Alex Fernandez, SVP, Chief Financial Officer

Mr. Fernandez presented the Financial Fiscal Year (FY) 2020 Review through August, as listed below.

Mr. Fernandez stated that the August 2020 financials were in the process of being closed out and that the numbers shown in the presentation were in anticipation of the forthcoming approved

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budget and the September Final Tax Hearing. He also noted that the financials will be updated as appropriate.

- Proposed Operating Budget Fiscal Year 2021 (for more detail, see the PowerPoint presentation).

Mr. Fernandez noted that the budget was a statistically-driven budget based off volume assumptions.

Mr. Fernandez also noted that the dependency on CARES Act funding was based on risk of a future payback, although there is confidence that Broward Health will not have to pay back any of the CARES Act funding.

- Income Statement Summary – Budget Review (for details, see slides 3-4 of the PowerPoint presentation).
  - Actual FY2018-FY2020 Financials.
    - Reviewed Non-Operating Gains/Losses.
    - Reviewed Operating Margins.
  - FY2021 Year-to-Date (YTD) Financials.
    - Reviewed Budget 2021 Non-Operating Gain/Loss: \$173.4m.
    - Reviewed Budget 2021 Excess of Revenue Over Expense: \$0.0m.
    - Reviewed Budget 2021 YTD Operating Margin: -4.37%.
- Broward Health Statistical Review (for details, see slide 5 of the PowerPoint presentation).
  - Key Indicators.
    - Reviewed 2018 through 2021 YTD.
  - Operating Indicators.
    - Reviewed 2018 through 2021 YTD.
  - Round Table Discussion (previously held).
    - Attendees: Gino Santorio, President/Chief Executive Officer; Alan Goldsmith, EVP/CAO; Dr. Andrew Ta, Executive Vice President/Chief Medical Officer; Mark Sprada, Interim Chief Human Resources Officer/VP, Strategy and Clinical Operations, David Clark, Vice President/Construction/Operations.
    - Reviewed from clinical and outside perspectives, looking at all external factors impacting Broward Health and the county.
    - Developed methodology for a path to slowly ramp up volumes.
- Budget 2021 Baseline & Strategic Initiative – Statistics (for details, see slide 6 of the PowerPoint presentation).
  - Reviewed Total Medical Centers and Growth Percentage from Initiatives
    - Admissions, Total OP, OP Surgery, ER Visits OP, OP Visits and Clinic Visits.

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- Outpatient emergency room visits not returning to volumes based on projections.
- Treat and release having a much higher conversion rate; more patients using emergency room are being admitted.
- Clinic visits heavily dependent on international program. If ships are not sailing, clinic visits will not reach budgeted numbers.
- Income Statement Summary – Medical Center Budget Review (for details, see slide 7 of the PowerPoint presentation).
  - Reviewed Total Operating Revenues 2018 – 2021 YTD.
  - Reviewed Total Expenses 2018 – 2021 YTD.
  - Reviewed Gains/(Losses) from Operations 2018 – 2021 YTD.
  - Note: Graduate medical education previously included at hospital level Profit & Loss now centralized as a corporate entity.
- Budget 2021 Physician Recruitment.
  - For FY21, the Ambulatory division will be recruiting 23 new physicians in various sub-specialties to support the community needs.
- Budget 2021 Vendors > \$400k (for details, see slides 9-10 of the PowerPoint presentation).
  - Reviewed vendor budget line items to be approved at the Final Tax Hearing.
- Budget 2021 Medicaid Low Income Pool (LIP), Disproportionate Share (DSH) & Rate Increases (for details, see slide 11 of the PowerPoint presentation).
  - Reviewed Net LIP and DSH.
  - Reviewed Medicaid Rate, Inpatient, and Outpatient for all medical centers.
- Key Financial Indicators (for details, see slide 12 of the PowerPoint presentation).
  - FY2018, FY2019, FY2020, and proposed FY2021.
    - Reviewed liquidity, capitalization, and profitability.
- Cash Flow Statement (for details, see slides 13 of the PowerPoint presentation).
  - Reviewed Balance Cash & Investments.
  - Reviewed Change in Cash & Investments.
- 2021 Capital Budget FY2021 (for details, see slide 14 of the PowerPoint presentation).
  - Requesting \$75m in line item budgets.  
Capital will be released based on performance in an effort to not overspend.
  - Reviewed net new projects by region and contingencies.
- Community Benefit Summary (for details, see slide 15 of the PowerPoint presentation).
  - Reviewed Community Benefit Cost for FY2018 through proposed FY2021.
  - Reviewed Government Funding Sources for FY2018 through proposed FY2021.

# MINUTES

## NORTH BROWARD HOSPITAL DISTRICT

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- Ad Valorem Tax Analysis (for details, see slide 16 of the PowerPoint presentation).
  - Reviewed trend – FY2017 through proposed FY2021.
- Estimated Financial Impact of Various 2020/2021 Millage Rates (for details, see slide 17 of the PowerPoint presentation).
  - Review trends from 2004 through proposed FY2021.
- Millage Rates and Tax Receipts (for details, see slide 18 of the PowerPoint presentation).
  - Reviewed trends – FY2004 through proposed FY2021.
- History of Millage Rates (for details, see slides 19 of the PowerPoint presentation).
  - Reviewed millage rates from FY2004 through proposed FY2021 budget.
- History of Net Tax Receipts (for details, see slide 20 of the PowerPoint presentation).
  - Reviewed net tax receipts from FY2004 through proposed FY2021 budget.

Chair Angier opened the floor for discussion. The following short discussions were held:

- It was confirmed that the Medicare advance payments were budgeted as future Medicare business and have no impact on the operating statement – only the balance sheet.
- In regard to the 2021 Vendor Budget, it was confirmed that the president/CEO had the authority to spend anything below \$400k, and that Board approval would be necessary for anything equal to or greater than \$400k.

Chair Angier 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 11:15 a.m.

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