

**TARRANT COUNTY HOSPITAL DISTRICT (TCHD)
d/b/a JPS HEALTH NETWORK BOARD OF MANAGERS
THURSDAY, MARCH 12, 2009**

The TCHD Board of Managers met on Thursday, March 12, 2009 in the auditoriums of JPS Health Network Outpatient Building, 1500 South Main Street, Fort Worth, Texas for a meeting with the following Board Members present:

Steve Montgomery, Chair
Scott Fisher, Secretary
Martha Walker, Member
Bernard Rubin, D.O., Member
Tonya Veasey, Member
Rev. Ralph Emerson, Member
Trent Petty, Member
Karen Van Wagner, Ph.D., Member

Members Absent: Dan Serna, Vice-Chair
Gary Floyd, M.D., Member

Guests: Darrel Shanbour, II, Regional Director, HealthStream Research
Nicholas Dowd, Senior Consultant, HealthStream Research
Harold Samuels, Past Board Chair
Bruce Capehart, Future Board Member

Others Attending: Robert Earley, President/CEO
Bill Whitman, Exec. Vice President/COO
Jay Haynes, M.D., Sr. Vice President/CMO
G. Sealy Massingill, M.D., President, Medical Staff
Randy Rogers, Interim Sr. Vice President/CFO
Ron Stutes, Exec. Vice President/Arlington Administrator
Commissioner Marti VanRavenswaay, Precinct 2
Commissioner Roy Brooks, Precinct 1
Jane Sanford, Judge Whitley's Office
Sandra Godfrey, Precinct Administrator
Krystal James, Precinct Administrator
Jon Ed Robbins, Precinct Administrator
Dee Chaisson, Vice President, Finance
Al Cordova, Vice President, Community Health Services
Jamey Pennington, Vice President/CIO
Josephine Fowler, Vice President Academic Affairs
Rick Stevens, Vice President, Operations
Charles Williams, Vice President of Support Services
Trudy Sanders, Interim Chief Nursing Officer
Rose Thomason, Interim Vice President Human Resources
Kimberly Britton, Partners Executive Director
Scott Herndon, Finance
Marvin Collins, District Attorney's Office

Ann Diamond, District Attorney's Office
Neal Adams, Legal Services
John Lynch, Legal Services
Tony Spangler, Fort Worth Star-Telegram
Dann Baker, JPS Chaplain
Dennis Killy, Tarrant Alliance for Responsible Government
Ann Sutherland, Access Committee & League of Women Voters
Dee Post, Recording Secretary

I. Call To Order:

The meeting was called to order by the Board of Managers Chair, Steve Montgomery at 12:23 p.m.

II. Opening Prayer & Pledge to Flag:

Dann Baker, JPS Chaplain, lead the audience in the prayer and pledge to the flag.

III. Board Chair Report, Deliberation(s) and/or Action(s) – S. Montgomery

1. Mr. Montgomery recognized Board member Martha Walker. Today is her last Board meeting as her term has ended. He informed the audience that Ms. Walker had served on the Tarrant County Hospital District Board of Managers from 2000 – 2009. Mr. Montgomery added that Ms. Walker was instrumental in guiding the other Board members to ensure that the quality of patient care and services to the citizens of Tarrant County was the main focus in their discussions in the day-to-day operations at JPS. Commissioners Marti VanRavenswaay and Roy Brooks were in attendance and Commissioner VanRavenswaay presented Ms. Walker with a plaque signed by the members to the Tarrant County Commissioners Court. Commissioner VanRavenswaay thanked Ms. Walker for all of her years of service on behalf of the citizens in Arlington and Tarrant County. Mr. Montgomery also presented Ms. Walker with tokens of appreciation from Administration of the Tarrant County Hospital District for all of her years of service on the JPS Board of Managers. Ms. Walker thanked Commissioner VanRavenwaay for the opportunity to serve on the Board. Ms. Walker commented that the JPS Board members have a very important role to play and that it is an awesome responsibility. She added she has enormous respect for the employees of JPS and thanked her colleagues for their patience for all the times she commented on TIFs. She also thanked the Board for all of their time they give to JPS. Ms. Walker received a standing ovation.

Mr. Montgomery introduced Bruce Capehart who is Commissioners' VanRavenswaays appointment to replace Ms. Walker. He further informed members that Mr. Capehart will be sworn in at the conclusion of today's Board meeting.

2. Physician of the Month – John Stella, D.D.S. Department of Oral and Maxillofacial Surgery, Department Chair was recognized as the Physician of the Month for the month of February but was unable to attend the Board meeting. Dr. Stella attended Columbia University School of Dental and Oral Surgery before completing his internship at John Peter Smith Hospital and residency at Parkland Memorial Hospital. Dr. Stella decided to enter the medical field after growing up working with his hands in his dad's steel mill. He chose to pursue this particular specialty because of the profound effect jaw surgery has on a patient's life. Members were further informed that one of Dr. Stella's most important career accomplishments is providing care to more than 1,000 patients with skeletal facial deformities. Dr. Stella is married with four children and enjoys golfing, racing cars, and spending time with his wife of 23 years. Dr. Stella was awarded with a gift certificate and plaque.

3. Diversity Spirit Achievement Award – Mr. Earley introduced Ann Henry, Director of Human Resources. Ms. Henry introduced Bruce Smith and Ivra Porter, JPS recruiters who were recognized for receiving the Diversity Spirit Achievement Award. Ms. Henry informed members that JPS has participated in the Diversity Fair for the past 3 years. She further explained that the purpose of this award is to underscore and show efforts for providing diversity in the work place.

IV. Hearing of Citizens

Two citizens signed in to speak at today's meeting; Dennis Kelly and Ann Sutherland.

V. Approval of Minutes:

- A. Ms. Walker made the recommendation to approve the February 4, 2009 and February 12, 2009 Board minutes. Mr. Fisher seconded the motion. All members were in agreement and the minutes were approved.

B. Board Reading

Board readings were included behind tab 2 of the Board book.

VI. Administrator's Report, Update on District Activities, Deliberation(s) and/or Action(s) Thereon: R. Earley

A. Update on District Activities

1. **School Based Health Centers Update** - Mr. Earley informed members that the Mansfield School-Based Health Center dedication will be March 23.
2. **JPS Board Retreat** – Mr. Earley informed members the he and Mr. Montgomery continue to work on Board Retreat dates. Rev. Emerson commented that he would like for the Board to set strategic plans as to the direction the Hospital District is going and that an agenda be forwarded to the Board prior to the Board Retreat.
3. **Studer Group Conference Update** – Mr. Earley informed members that several JPS staff attended a Stutter Group conference. Mr. Earley added that a lot of the processes learned at the conference will be incorporated at JPS. Mr. Earley added that he will be working to streamline processes and will keep the JPS Board informed of changes that are made.

Mr. Earley introduced Trudy Sanders, Interim Chief Nursing Officer and Rose Thomason, Interim Vice President of Human Resources. Rev. Emerson asked that a one page information sheet be provided to the Board members on what Ms. Sanders and Ms. Thomason's duties include. He also asked what is hoped to be achieved at the Board Retreat and how the Retreat relates to Mr. Earley's decisions concerning JPS Health Network on a day-to-day basis. Rev. Emerson also asked Mr. Montgomery if there is an agenda for the Board Retreat. Mr. Montgomery replied that the agenda is still in the works and will be provided to Board members before the retreat.

4. **Divisional Activities Report and Contracts/Settlements** - The March 2009 Board monthly report is included behind tab 3 of today's Board book.

VII. Discussion(s), Update and/or Approval Regarding Minority Business Enterprise/Women Business Enterprise (MBE/WBE) Report by Ware & Associates – B. Whitman/W. Ware

Mr. Whitman introduced Wyntress Ware, President of Ware and Associates who reviewed the Minority Business Enterprise/Women Business Enterprise report included behind tab 4 of the Board book. Ms. Ware informed members that the data submitted for each department is for primary contractors and that the information does not include subcontractors. Ms. Ware added that the M/WBEs listed by JPS staff are considered accurate. Ms. Walker asked why the report did not include all of Tarrant County. Commissioner Brooks explained that Tarrant County does not have a certification process and that Fort

Worth includes the majority of certifications that both Tarrant County as well as Fort Worth accepts. Ms. Ware continued by informing the Board that the Human Resources section of the report pertains to upper level positions.

Ms. Veasey commented that the District needs to work on improving percentages as it relates to this process. She further asked Mr. Montgomery to ask staff to bring this topic back to a Board meeting in 90 days with a new policy and to set goals as it relates to what the city of Fort Worth is doing. She also asked that ethnic organizations such as the Hispanic and Black Chambers be consulted on how to increase the numbers. Mr. Montgomery asked Mr. Whitman to work with Ms. Veasey on this process. Ms. Veasey added that she would like professional service contracts to be included as well. Rev. Emerson suggested that Ms. Ware work with the Planning Committee members in looking at the whole picture. Ms. Veasey added that she would like to see staff begin working on this and not to wait for the Board Retreat. Mr. Montgomery thanked Ms. Ware for coming and presenting to the Board.

VIII. Discussion(s), Update and/or Approval Regarding the Regional/Tarrant Upper Payment Limit (UPL) – R. Earley/Mike Spivey/Neal Adams

Mr. Earley explained that Mr. Spivey has had a relationship with the Hospital District for several years regarding this topic and asked Mr. Spivey to provide a brief history of the Regional/Tarrant UPL for the benefit of the new Board members. Mr. Spivey began by explaining the upper payment limit concept. He informed members that the concept is that all providers within a region be paid by Medicaid which requires state funding. The state worked on the funding and after an initial payment the program was placed on hold by CMS for approximately 8 months. The state again began making payments to the Dallas County UPL program and added a program which is now in place. Mr. Adams informed the Board that there are two options for participating in this program which both have consequences. He added Board members will need to decide which program they would like to participate in. Mr. Adams added that both options will be discussed further in closed session with confidential attorney council. Mr. Spivey clarified that there are two separate funds and the Hospital District is participating in the Public UPL program. Mr. Spivey added that the Hospital District is very complex and that we can decide who we want to partner with. Mr. Montgomery appointed a working committee of the Board to work with Mr. Spivey and Mr. Adams on this process and added that it is important for the District to address this. Mr. Montgomery asked Mr. Fisher to chair this committee and further included Dr. Webber, Mr. Petty and Dr. Van Wagner to the committee. Mr. Earley commented that if the Board members have questions as the District moves forward with this process to get their questions to him and he will be see that Mr. Spivey receives those.

IX. Deliberation(s), Action(s) and/or Approval of University of North Texas Health Science Center MD/DO Study Group Resolution – S. Montgomery

Mr. Montgomery informed members that this is an important issue for the Hospital District and that he would like to write a letter to Dr. Ransom endorsing this process. Mr. Earley added the he, Mr. Montgomery and Dr. Floyd sit on this committee and commented that there are benefits for JPS for a dual accreditation for the District's residency programs and all of the residents here. He added that several of the other area hospitals are also in support of a dual accreditation. Dr. Van Wagner informed the Board that she has verified that there is a law that prevents dual accreditation and that this would have to be approved in the next legislative session. Commissioner Brooks commented that there is a resolution in Commissioners Court on Tuesday supporting this topic. Mr. Montgomery informed the Board that he will write a letter supporting the dual accreditation and forward the letter to all Board members.

Dr. Webber made a motion to approve sending a letter on behalf of the Board approving a University of North Texas Health Science Center dual accreditation. Ms. Veasey seconded the motion. Dr. Rubin abstained. Board members were in favor of the motion with the exception of Ms. Walker who voted against supporting this resolution. The motion passed.

Commissioner Brooks left the meeting at 1:48 p.m.

X. Discussion(s), Update and/or Approval Regarding Mental Health Mental Retardation In-Kind Match – G. K. Maenius/R. Earley

Mr. Earley informed the Board that Mr. Maenius had requested that this item be pulled from the Board agenda.

XI. Discussion(s), Update and/or Information Regarding Patient Satisfaction Survey – B. Whitman

Mr. Whitman informed the members that this topic will be a standing agenda item until further notice. He continued by reviewing the last three months percentile measures. A copy of the Patient Satisfaction report is included behind tab 5 of the Board book. Mr. Whitman further informed members that six satisfaction teams have been created with each team having specific objectives and goals. Mr. Whitman added that several of the teams have met more than once and he is excited about this engagement. He further commented that action plans are being developed and he anticipates that patient satisfaction numbers will be moving up soon. Mr. Whitman informed members that improving patient satisfaction is a paramount issue for staff. Dr. Webber commented that for the first time in the 35 years he has been associated with JPS, this is the first time that the Board has made patient satisfaction a #1 priority. Mr. Whitman commented that improving patient satisfaction has to be ingrained in all staff and that this is a monumental effort. Mr. Petty commented that he anticipates great ideas coming out of the satisfaction teams and that this process will take a lot of coordination.

XII. Items to be Withdrawn from the Consent Agenda:**XIV. Matters from the Finance Committee****B. Deliberation(s), Action(s), and/or Approval Regarding the Following Agreements – R. Rogers**

** 1. Amendment to the Professional Medical Services Agreement Between the Tarrant County Hospital District and the University North Texas Health Science Center.

** 2. Lease Agreement Between Tarrant County Hospital District and the University North Texas Health Science Center for the JPS Health Center for Women and Space in JPS.

Mr. Adams informed the Board that the above two items should be pulled from the consent agenda. He added that item number 1. should not be consented and item number 2. is not ready to come forward.

XIII. Consent Agenda: All Items with Asterisks (*) are Part of the Consent Agenda, were Discussed in Board Committee Meetings, May Require Little or No Deliberation by the Board of Managers, but Require Board Approval.**

Rev. Emerson made the motion to approve the remaining consent agenda items. Ms. Walker seconded the motion. There was no further discussion. All Board members approved and the motion passed unanimously.

XIV. Matters from the Finance Committee Requiring Deliberation(s), Action(s) and/or Approval – D. Serna/R. Rogers**A. January 2009 Unaudited Financial Reports Including JPS Physician Group – R. Rogers/Bill Whitman/R. Stutes/Corbin Wilson**

Mr. Whitman reviewed the key operating statistics and referred to page 83 of today's Board book. He reported that admissions and length of stay are on target and that the surgery cases include the Arlington Hospital. Births were a little above budget and Mr. Whitman explained that the number of patients that left without being seen is being tracked closely. Mr. Whitman further reported that the number of patients seen in the Emergency Department was the largest number every seen in one month at JPS. Mr. Whitman continued by reporting clinic visits are down due to the Health

Centers being short six providers. He added that he expects those positions to be filled by June. Mr. Whitman added that the outpatient volume increased county wide.

Mr. Rogers reviewed the income statement. He explained the inpatient/outpatient mix and reported that contract labor was up. He further reported that the District is seeing a decrease in overtime. Mr. Rogers continued by reporting that FTEs and adjusted patient days will need to be considered during the next budget session. Mr. Rogers further informed members that the commercial payor mix is down and that the JPS Connection enrollment is up.

Mr. Rogers reviewed the financial statement and reported a \$15 million loss. Mr. Rogers added that the executive staff members have put changes in place to bring the organization to a level of spending that equates to what is being earned. He added that hard decisions will need to be made during the next budget cycle. He further commented that donated drugs have decreased, admits are up and he provided a brief review of salaries. He further reported that contract services and implant cases have increased. Mr. Rogers added that property values are remaining strong and commercial revenue is down.

Dr. Van Wagner informed members that the Finance Committee spent a lot of time on this. She asked that the financials include more clinic reporting. There was a short discussion on analyzing the financial strategies.

Mr. Rogers continued by informing members that commercial insurance cases have declined and there is a 20% decline in the number of prisoners that were seen in January. Dr. Rubin asked if there is a shortage of capacity. Mr. Whitman replied that the District has 19 beds designated for prisoners and they are rarely ever full. He added that beginning on Monday, prisoners will begin being seen in the clinics. He further commented that at any one time, there are between 3 and 5 prisoners here.

Mr. Stutes informed members the District is reviewing air ambulance transports. He has met with the CEO of CareFlite. They agreed that the rotation should be followed and he expects the District to begin seeing an increase in this volume.

Mr. Wilson briefly reviewed the income statement for the JPS Physician Group. He added the Physician Group did receive federal dollars which are included in the income statement this month.

Mr. Stutes briefly reviewed the Arlington Hospital. He commented he continues to work to achieve full utilization of the Arlington Hospital. He added numbers are rising and the overall performances have increased. There is an increase in implant cases and in salary; wage and benefits as well as encounters are below budget.

Mr. Whitman provided a brief update on the Grand Prairie Health Center. He reported the building should be ready for occupancy by April and there is enough space for 4 physicians. There was a short discussion on supplies for surgery cases and getting the best quality of supplies at the best price. Dr. Van Wagner asked what was the District's stipend policy on disclosure payments. Dr. Haynes replied that the District is in the process of developing this policy. Dr. Van Wagner asked to see this policy at the next Board meeting. Dr. Haynes informed members the Dr. Fowler is a member of a national committee that is reviewing this. He further informed Dr. Van Wagner that this policy will be reviewed by the Medical Executive Committee. Mr. Adams added that he also needs to be included in the review process. Everyone agreed this process needs to be done right the first time.

Dr. Rubin made the motion to approve the January, 2009 unaudited financials as presented. Dr. Webber seconded the motion. There were no further questions and the motion passed unanimously.

B. Approval of the Following Agreements:

Items 1. and 2. were removed under item XII.

3. Seventh Amendment to Sheridan Anesthesia Services Agreement – Extension of Term

Dr. Webber moved to approve the above item. A copy of the document is included behind tab 8 of the Board book. Dr. Rubin seconded the motion. All Board members were in agreement and the motion passed unanimously.

C. ** Deliberation(s), Action(s) and /or Approval Regarding JPS Connection Scope of Services – J. Haynes, M.D./R. Fulkerson, M.D.**D. 2009 Internal Audit Plan – J. Grantland**

Mr. Petty informed members that the Finance Committee spent a lot of time on this item. He added that the Finance Committee members recommended that the reporting relationship be changed from reporting to the Chief Financial Officer to report to the Board of Managers. Mr. Earley and Mr. Whitman will bring items of concern to the Board. Mr. Petty made the motion to approve the 2009 Internal Audit plan and the recommended reporting change. Ms. Walker seconded the motion. All Board members were in agreement and the motion passed unanimously. The reporting change will take effect immediately.

XV. Recess and Reconvene in Closed Session:

The Board recessed and reconvened in closed session at 3:00 p.m.

XVI. Reconvene in Open Session for Deliberation(s) and/or Action(s) Deemed Necessary Regarding Any Matter Listed on the Closed Session Agenda, Paragraphs XV. A., B., C., D., E., F., and G.

The Board reconvened in open session at 3:32 p.m.

XV. B. Dr. Webber made the motion to approve the Austin Commercial agreement for final closure of all provisions. Rev. Emerson seconded the motion. Ms. Walker made an amendment to the motion to section 1 prior to signing, to accept that the retainage fee not be paid until all requirements are met by the contractors. Dr. Webber accepted Ms. Walker's amendment to his motion. All Board members were in agreement and the motion passed.

XVII. Matters from the Quality Committee Requiring Deliberation(s), Action(s) and/or Approval – B. Rubin, D.O./K. Jenkins**A. Discussion(s), Information and/or Action Regarding the Healthstream Physician Satisfaction Survey Presentation – J. Haynes, M.D./R. Young, M.D./N.Dowd, Healthstream**

Mr. Earley commented that he was impressed with Healthstream. Dr. Young presented the results of the survey from three months ago and reviewed the presentation. A copy of the presentation is included behind tab 11 of the Board book. Dr. Young commented there were improvements in 3 areas. Dr. Massengill informed members that the medical staff takes this topic seriously and they are working on improvements. Dr. Massengill added that the District should see improvements to the Physician Satisfaction numbers soon. Dr. Haynes informed members that another physician survey will be performed in a few months.

B. Deliberation(s), Action(s) and/or Approval Regarding the Following:

- ** 1. Joint Commission Measures of Success Report/Update – J. Haynes, M.D.
- ** 2. Core Measures Report – J. Haynes, M.D.
- ** 3. Patient Satisfaction/HCAHPS – B. Whitman

4. Appointments/Reappointments to Medical Staff – J. Haynes, M.D.

Dr. Haynes reported there were no outstanding issues with the Appointments/Reappointments memo included behind tab 12 of the Board book. Dr. Rubin moved to approve the memo as presented. Dr. Webber seconded the motion. All Board members approved and the motion passed unanimously.

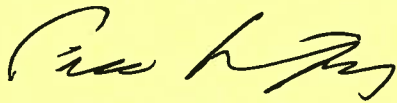
XVIII. Report of Legal Counsel and/or Legal Matters Requiring Approval and/or Action – N. Adams

No items were presented for approval. Mr. Adams informed members that he will attend a meeting next week that has been organized by the Dallas/Fort Worth Hospital Council that includes general councils from all area hospitals.

XIX. Adjourn

There being no further business, the meeting was adjourned at 3:57 p.m.

Approved:



Steve Montgomery, Chairman