

**TARRANT COUNTY HOSPITAL DISTRICT (TCHD)
d/b/a JPS HEALTH NETWORK**

**1500 S. MAIN STREET
FORT WORTH, TX 76104
OUTPATIENT BUILDING, 3rd FLOOR AUDITORIUMS**

**JOINT BOARD OF MANAGERS, FINANCE COMMITTEE MEETING
10:00 A.M. THURSDAY, NOVEMBER 21, 2019**

MEETING MINUTES

The Tarrant County Hospital District ("District") Board of Managers and Finance Committee met at 10:00 a.m. Thursday, November 21, 2019 on the 3rd Floor, Outpatient Clinic Auditoriums, John Peter Smith Hospital, 1500 South Main Street, Fort Worth, Texas, 76104, with the following Board/Committee members present:

Steve Montgomery, Committee Chair
Charles Powell, Board Chair
Charles Webber, M.D., Board Vice-Chair
D.T. Nguyen, Board Secretary
Amanda Arizola, Board Member
Daniel Ziegler, M.D. Committee Member
Chet Schrader, M.D., Medical Staff President
Roger Fisher, Board Member

Members Absent: Rev. Ralph Emerson, Immediate Past Board Chair
Trent Petty, Past Board Chair
Zim Zimmerman, Board Member
Dorothy DeBose, Board Member

Others Attending: Robert Earley, President, Chief Executive Officer
Bill Whitman, Senior Executive Vice President, Chief Operating Officer
Sharon Clark, Senior Executive Vice President, Chief Financial Officer
Timothy Kremer, M.D., Senior VP, Chief Physician Engagement Officer
Michael Hochberg, M.D., Senior VP, Chief Medical Officer (arrived 10:15 am)
Kenneth Carr, Senior Vice President, Network Operations
Zelia Baugh, Executive Vice President, Behavioral Health Administrator
Karen Duncan, M.D., Executive Vice President, Community Health
Wanda Peebles, Executive Vice President, Acute Care, Chief Nursing Officer
Tricia Elliott, M.D., Senior Vice President, Medical Academic Research
Pia Walker, Senior Vice President, Human Resources
Lara Burnside, Senior Vice President, Strategy, Chief Patient Experience Officer
Dianna Prachyl, Sr. VP, Chief Operating Officer, Acclaim Physician Group
David Mendenhall, Vice President, Chief Technology Officer, Information Systems
Michelle Green-Ford, Vice President, Diversity and Inclusion
Rory McCrady, Vice President, Revenue Cycle
Diana Brodeur, Vice President, Communications
Madhura Chandak, Executive Director, Clinical Integration

Scott Cummings, General Counsel
Lee Ann Gilly, Senior Executive Assistant

Guest attending: Greg Warner, Dan Grant, Hilltop Securities Asset Management

I. CALL TO ORDER

Steve Montgomery called the November 21, 2019 TCHD Finance Committee meeting to order at 10:06 a.m. Members present represented a quorum to conduct Board and Committee business.

II. CITIZENS WISHING TO ADDRESS THE COMMITTEE

There were no citizens present wishing to address the Finance Committee.

III. MINUTES

Mr. Montgomery asked the Committee to review minutes from the October 24, 2019, Tarrant County Hospital District Joint Board of Managers and Finance Committee meeting and called for a motion. Charles Webber, M.D., made a motion for approval; motion was seconded by D.T. Nguyen and carried unanimously.

IV. CONVENE AS THE BOARD OF MANAGERS FOR THE FOLLOWING:

A. Consider Approval of FY2020 Contract for Funding of Specified County Programs (Interlocal Agreement) between Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network

Zelia Baugh presented Approval of FY2020 Contract for Funding of Specified County Programs (Interlocal Agreement) between Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will provide continued mental health services to the Tarrant County jails.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the FY2020 Contract for Funding of Specified County Programs (Interlocal Agreement) between Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval; motion was seconded by Mr. Nguyen as presented and carried unanimously. The Board requested quality metrics be developed with the County for fiscal year 2020 and periodic updates on outcome metrics be presented to the Finance Committee on a regular basis from Ms. Baugh. During the budget approval process for 2021 the Board of Managers would like to be more proactive with a presentation in July from the County on both volumes, quality metrics and costs for this program for FY21.

V. FY19 YEAR-END INVESTMENT REPORT

Greg Warner, CPT, Director, Hilltop Securities Asset Management was present to provide the Finance Committee with the FY2019 Economic Review and Investment Strategy Report.

Based on the District's policy, state guidelines and Hilltop Securities approach, the District's investments continue to be managed conservatively.

FY2019 assets totaled \$614 million. Investment funds are held by the District within five funds: operating, emergency operating, indenture agreements, JPS future fund, and malpractice self-insurance accounts.

FY2019 Earned Income by Fund totaled \$16.1 million.

The weighted average yield on the portfolio rose to 2.32% basis points ending FY19. Weighted average days to maturity was at 128 days for FY2019 compared to 169 days for FY2018.

Mr. Warner communicated the JPS Health Network's portfolio is well positioned for the current rate environment and the yields should gradually move higher.

JPS Health Network FY2019 Year-End Investment Report was informational only with no action item.

VI. CFO REPORT

Ms. Clark communicated to the Committee that BKD, LLP is finalizing the annual audit and it will be presented at the December 12, 2019 Finance Committee Meeting.

Ms. Clark presented the FY19 Connection Utilization Presentation to the Committee

Approximately 90% of eligible JPS Connection members utilized services as a Connection patient for a total of 295,543 visits. Total encounters per member were approximately 7.7 visits annually per member.

Active members sought care in an outpatient setting an average of 6.9 times annually, with 95% of active members accessing visits in Specialty Care, Primary Care or Urgent Care. Approximately 10,384 members were treated at the Urgent Care.

Twenty-eight percent of active Connection members accessed emergency care which resulted in 18,942 emergency department visits, an average of 1.8 visits per member annually.

Outpatient surgical procedures for active Connection members resulted in 6,222 outpatient surgeries, with gastroenterology and orthopedics being two of the largest surgery categories.

Active Connection members were admitted for medical inpatient care an average of 1.4 times, resulting in 4,420 hospital admissions. The average length of stay was 5.16 days, with 84% of Connection admissions originating in the Emergency Department. While being admitted, 62% of Connection members had a surgical procedure during their hospitalization.

In Observation, 6% of active Connection members were hospitalized as observation status with the average length of stay being 21.4 hours for medical cases.

For Behavioral Health admissions, 528 Connection members or 1% of active Connection members were admitted for Behavioral Health inpatient care. This resulted in 661

encounters. Additionally, 285 members were transferred to an outside facility for Behavioral Health inpatient care.

VII. MATTERS THAT REQUIRE DISCUSSION AND COMMITTEE ACTION

A. Consider Acceptance of October 2019 Unaudited Financial Report

Ms. Clark presented the Unaudited Financial Report for October 2019.

Hospital:

For the month, Income from Operations was \$4.1 million compared to a budgeted Income from Operations of \$6.9 million. Total Operating Expenses were \$850,000 over budget for the month, due mainly to salaries and health insurance.

Acclaim:

For the month, Acclaim's financial statements reflected a \$1.4 million Loss from Operations compared to a budgeted Loss of Operation \$2.2 million, creating a favorable variance of \$810,000.

Combined Income Statement:

For the month, the Combined Income Statement reflected a \$2.6 million Income from Operations compared to \$4.5 million budgeted Income from Operations.

There being no further questions or discussion, Mr. Montgomery called for a motion to accept the October 2019 Unaudited Financial Report. Dr. Webber made a motion for acceptance; motion was seconded by Amanda Arizola as presented and carried unanimously.

B. Consider Approval of Amendment No. 3 to Professional Services Agreement between Acclaim Physician Group, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Mr. Whitman presented Approval of Amendment No. 3 to Professional Services Agreement between Acclaim Physician Group, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow continued uninterrupted patient care for Tarrant County residents.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve Amendment No. 3 to Professional Services Agreement between Acclaim Physician Group, Inc. and Tarrant County Hospital District d/b/a JPS Health Network as presented. Dr. Webber, M.D., made a motion for approval; motion was seconded by Chet Schrader, M.D., as presented. The motion carried unanimously.

C. Pursuant to JPS Purchasing Procedure LDF 7201 Section VIII, A.7., consider (1) granting an exemption to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, or captive replacement parts or components for equipment, or other exemptions under Tex.

Gov't. Code §262.024(a)(7); and (2) approval of the Purchase Agreement between Aerobiotix, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Mr. Montgomery announced that Purchase Agreement between Aerobiotix, Inc. and Tarrant County Hospital District d/b/a JPS Health Network was being removed from the agenda.

- D. Pursuant to JPS Purchasing Procedure LDF 7201 Section VIII, A.7., consider (1) granting an exemption to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, or captive replacement parts or components for equipment, or other exemptions under Tex. Gov't. Code §262.024(a)(7); and (2) approval of the Service Agreement Quotation between Advanced Sterilization Products Services, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

David Mendenhall presented Pursuant to JPS Purchasing Procedure LDF 7201 Section VIII, A.7., consider (1) granting an exemption to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, or captive replacement parts or components for equipment, or other exemptions under Tex. Gov't. Code §262.024(a)(7); and (2) approval of the Service Agreement Quotation between Advanced Sterilization Products Services, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow for six Sterrad Sterilizers, which are used to sterilize surgical utensils during surgery and out-patient non-surgical procedures.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve Pursuant to JPS Purchasing Procedure LDF 7201 Section VIII, A.7., (1) granting an exemption to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, or captive replacement parts or components for equipment, or other exemptions under Tex. Gov't. Code §262.024(a)(7); and (2) approval of the Service Agreement Quotation between Advanced Sterilization Products Services, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval; motion was seconded by Ms. Arizola as presented and carried unanimously.

- E. Consider Approval of Master Software and Services Agreement between 3M Health Information Systems, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Mr. Mendenhall presented Consider Approval of Master Software and Services Agreement between 3M Health Information Systems, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will provide enhanced quality reporting while streamlining revenue cycle processes for the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Master Software and Services Agreement between 3M Health Information Systems, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Schrader, M.D., made a motion for approval; motion was seconded by Dr. Webber as presented and carried unanimously.

VIII. REPORT OF LEGAL COUNSEL AND/OR LEGAL MATTERS REQUIRING DISCUSSION(S), UPDATE(S), DELIBERATION(S), ACTION(S) AND/OR APPROVAL

Scott Cummings announced the monthly report listing 32 contracts negotiated under \$500,000. This report has been posted to the board portal.

IX. RECONVENE IN EXECUTIVE SESSION PURSUANT TO CHAPTER 551, TEXAS GOVERNMENT CODE FOR THE FOLLOWING:

There were no items for executive session.

X. RECONVENE IN OPEN SESSION FOR DELIBERATION(S) AND/OR ACTION(S) DEEMED NECESSARY REGARDING ANY MATTER LISTED ON THE CLOSED SESSION AGENDA.

XI. ADJOURN

There being no further business of the TCHD Joint Board of Managers and Finance Committee, the meeting was adjourned at 11:43 a.m.



Committee Chair, Steve Montgomery

12/12/19

Date