

**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 AND FINANCE COMMITTEE MEETING
10:00 A.M. THURSDAY, APRIL 26, 2018**

MEETING MINUTES

The Tarrant County Hospital District ("District") Board of Managers and Finance Committee met 10:00 a.m. Thursday, April 26, 2018 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 Webber, M.D., Board Vice Chair
Charles Powell, Board Chair
Trent Petty, Past Board Chair
Dorothy DeBose, Board Member
Daniel Ziegler, M.D., Member
Warren Norred, Member

Members Absent: Rev. Ralph Emerson, Immediate Past Board Chair
D.T. Nguyen, Board Secretary

Others Attending: Robert Earley, President, Chief Executive Officer
Bill Whitman, Senior Vice President, Chief Operating Officer
Sharon Clark, Executive Vice President, Chief Financial Officer
Timothy Kremer, M.D., Committee Member
Dianna Prachyl, Senior Vice President, Chief Operating Officer, Acclaim Physician Group
Wanda Peebles, Executive Vice President, Chief Nursing Officer
Melinda Costin, Senior Vice President, Chief Information Officer
Scott Rule, Vice President, Chief of Staff
Kelli Ford, Director, Managed Care
Michelle Atkins, Director, Internal Audit
Ronald Skillens, Senior Vice President, Enterprise Risk Management
Ammie Harris, Executive Director, Contract Administration
Joe Velasquez, Director, Supply Chain
Karen Duncan, M.D., Executive Vice President, Chief Information Officer
Kathleen Whelan, Vice President, Clinical and Professional Operations
Jaime Pillai, Vice President, Operations Support Services
Merianne Roth, Vice President, Chief Strategy Officer
Pia Walker, Senior Vice President, Human Resources
Michelle Green-Ford, Director, Diversity and Inclusion
Ben Scott, Executive Director, Controller
J.R. Labbe, Vice President, Communications and Community Affairs
Suzanne Fleming, Executive Director, Financial Strategy

Nestor Zenarosa, M.D., Emergency Department
Timothy Niacaris, M.D., Chief Medical Information Officer
Cory Hartsfield, General Counsel
Lee Ann Gilly, Executive Assistant

Guests Attending: Jeni McGarry, Precinct 2 Administrator, Tarrant County Commissioners Court
Brinton Payne

Timothy Kremer, M.D. ("Kremer") was previously appointed as a member of the committee in his capacity as V.P. of the Medical Staff. On or about April 10, 2018, Kremer was named Chief Medical Officer ("CMO") for the District. He attended in his capacity as CMO.

I. CALL TO ORDER

Steve Montgomery called the April 26, 2018 TCHD Finance Committee meeting to order at 10:05 a.m. Members present represented a quorum to conduct committee business.

II. CITIZENS WISHING TO ADDRESS THE BOARD

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

III. MINUTES

Mr. Montgomery asked the Committee to review minutes from the March 22, 2018, Tarrant County Hospital District Joint Board of Managers and Finance Committee meeting and called for a motion. Dorothy DeBose made a motion for approval and the motion was seconded by Trent Petty and carried unanimously.

IV. CFO REPORT

V. MATTERS THAT REQUIRE DISCUSSION AND BOARD ACTION

A. Consider Acceptance of March 2018 Unaudited Financial Report

Sharon Clark presented the March 2018 Unaudited Financial Report to the Committee.

Hospital:

Inpatient Admissions were on track this month with budget. Patient Days were favorable by 9 % for March. Patient Acuity, measured by Case Mix approximated budget. Length of Stay was 13% above budget.

Outpatient Emergency Department visits were unfavorable by 1% compared to budget. Urgent Care Visits were unfavorable by 5% for the month but holding patient levels steady from last month. Primary and Specialty Care Clinic visits were unfavorable by 1% for the month.

Observation Days were unfavorable by 11% compared to budget. Invasive Lab Cases were favorable by 13% compared to budget and saw the most cases at 769 for the month of March.

Inpatient Surgeries were unfavorable by 14% and Outpatient Surgeries were below budget by 11% for the month.

Psychiatric Patient Days were favorable by 6% compared to budget. Psychiatric Clinic Visits were unfavorable by 15% compared to budget. Psychiatric Emergency Visits were unfavorable by 9% for the month. Psychiatric Partial Hospitalization Days were unfavorable by 10%.

FTE's per Adjusted Patient Day were favorable at 5.68 compared to our end-of-year target of 5.80. Days Cash on Hand Available for Operations was 252 days. Total Days Cash on Hand was 301 days. Net Account Receivable Days were 50.

JPS Connection enrollment for February was 37,399, a 2% increase from prior month.

Net Patient Service Revenue was favorable to budget by 10%, due to new UHRIP Program and Managed Care Program that allowed us to receive additional revenues.

Salaries were unfavorable by 2% due to staffing for inpatient volumes. Year-to-date salaries are slightly favorable. Benefits were slightly favorable by 1% for the month.

Supplies were favorable by 3% primarily due to low surgery volumes, lower Pharmacy costs and Utilities running below budget for the month. Purchased Services were unfavorable by 18% compared to budget, due to changes in the Intergovernmental Transfer (IGT) process and IGT payments associated with the UHRIP program.

For the month, Income from Operations was \$756,000 compared to a budgeted Income from Operations of \$561,000. Year-to-date Loss from Operations was \$938 thousand compared to a budgeted \$2.7 million. Net Income was \$5.6 million to date.

Acclaim:

Physician billed encounters were unfavorable by 4% compared to budget due to vacant provider positions in Family Medicine, Dermatology, Psychiatry, Neurology and ENT. The Net Operating Expense per Encounter was slightly unfavorable this month but year-to-date was favorable by 5% compared to budget.

Net Patient Revenue was unfavorable by 8 % primarily due to the low patient volume. Salaries were favorable by 3%, both due to provider and staff vacancies.

Other Operating revenue for the month was favorable by 11% primarily due to a Year-To-Date adjustment for MHMR, Neurology, and Urology coverage revenue, which has an offsetting expense in Purchased Services.

Purchased Services were unfavorable by 9% compared to budget due to the physician coverage for Urology.

For the month, Acclaim's financial statements reflected a \$774,000 Loss from Operations compared to a budgeted loss of \$951,000. Year-to-date, the Loss from Operations was \$6.6 million compared to a budgeted loss of \$7.0 million.

There being no further questions or discussion, Mr. Montgomery called for a motion to accept the March 2018 Unaudited Financial Report. Charles Powell made a motion for acceptance. The motion was seconded by Mr. Petty as presented and carried unanimously.

B. Consider Approval of Joinder Agreement between Beacon Health Strategies, LLC. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Clark presented the Joinder Agreement between Beacon Health Strategies, LLC, and Tarrant County Hospital District d/b/a/ JPS Health Network to the Committee for consideration. Approval of this agreement allows Cook Children's Health Plan insured continued access to behavioral health care at JPS as an in-network facility.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve Joinder Agreement between Beacon Health Strategies, LLC. And Tarrant County Hospital District d/b/a JPS Health Network. Charles Webber, M.D., made a motion for approval. The motion was seconded by Ms. DeBose as presented and carried unanimously.

C. Consider Approval of Proposed First Amendment to Associate Member Agreement between Vizient, Inc. (assignee to University Health System Consortium and Parent to Vizient Supply, LLC f/k/a Novation, LLC) and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Clark presented the Proposed First Amendment to Associate Member Agreement between Vizient, Inc. (assignee to University Health System Consortium and Parent to Vizient Supply, LLC f/k/a Novation, LLC) and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this amendment will allow continued access to supplies and services throughout the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed First Amendment to Associate Member Agreement between Vizient, Inc. (assignee to University Health System Consortium and Parent to Vizient Supply, LLC f/k/a Novation, LLC) and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Petty made a motion for approval. The motion was seconded by Dr. Webber as presented and carried unanimously.

D. Consider Approval of Proposed Participation of Agreement for Vizient Product Supplier Agreement between Guy Brown, LLC f/k/a Guy Brown Management, LLC and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Clark presented the Proposed Participation of Agreement for Vizient Product Supplier Agreement between Guy Brown, LLC f/k/a Guy Brown Management, LLC and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow for the continued arrangement for office supplies throughout the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed Participation of Agreement for Vizient Product Supplier Agreement between Guy Brown, LLC f/k/a Guy Brown Management, LLC and Tarrant County Hospital District d/b/a JPS Health Network. Ms. DeBose made a motion for approval. The motion was seconded by Daniel Ziegler, M.D., as presented and carried unanimously.

E. Consider Approval of Purchase Agreement between Laser Security Response, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Clark presented the Purchase Agreement between Laser Security Response, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will provide armed security services for transportation of cash for the District.

There being no further questions or discussions, Mr. Montgomery called for a motion to approve the Purchase Agreement between Laser Security Response, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval. The motion was seconded by Ms. DeBose as presented and carried unanimously.

F. Consider Approval of Proposed Master Services agreement between Talent Plus, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Pia Walker presented the Proposed Master Services agreement between Talent Plus, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will validate and manage talent acquisition for all new hires and the current work force for the District.

There being no further questions or discussions, Mr. Montgomery called for a motion to approve the Proposed Master Services agreement between Talent Plus, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Ms. DeBose made a motion for approval. The motion was seconded by Dr. Webber as presented and carried unanimously.

G. Consider Approval of Proposed Products Agreement between Siemens Healthcare Diagnostics, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Kathleen Whelan presented the Proposed Products Agreement between Siemens Healthcare Diagnostics, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will provide disposable reagents for the Centaur Analyzer in Laboratory Services.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed Products Agreement between Siemens Healthcare Diagnostics, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Ms. DeBose made a motion for approval. The motion was seconded by Dr. Webber as presented and carried unanimously.

H. Consider Approval of Deferred Equipment Agreement between Biosense Webster, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Whelan presented the Deferred Equipment Agreement between Biosense Webster, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Approval of this agreement will provide electrophysiology (EP) ablation products for the EP lab.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Deferred Equipment Agreement between Biosense Webster, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Petty made a motion for approval. The motion was seconded by Ms. DeBose as presented and carried unanimously.

I. Consider Approval of Proposed Purchase Agreement between St. Jude Medical S.C., Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Whelan presented the Proposed Purchase Agreement between St. Jude Medical S.C., Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Approval of this agreement will provide implantable electrophysiology (EP) devices for the EP Lab.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed Purchase Agreement between St. Jude Medical S.C., Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval. The motion was seconded by Ms. DeBose as presented and carried unanimously.

- J. Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(d) regarding an exception to competitive bidding for purchase of professional services where obtaining the services through competitive bidding is prohibited or not practical and Section VIII(g)(1) regarding an exception to competitive bidding for purchase of goods and services for which competition is precluded because of the exemptions of purchase from competitive bidding and Consider Approval of Proposed Order Form Agreement between Infor (US), Inc. successor to Lawson Software, Inc. and Tarrant County Hospital District d/b/a/ JPS Health Network

Melinda Costin presented Pursuant to JPS Purchasing Procedure LD 7205 VIII(d) regarding an exception to competitive bidding for purchase of a professional service (including without limitation physician/professional medical consultants or services), where obtaining these services through the competitive bidding process is prohibited or not practical, consider approval of exemption of purchase from competitive bidding and Consider Approval of Proposed Order Form Agreement between Infor (US), Inc. successor to Lawson Software, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Approval of the agreement will provide additional software licensing for HR applications for all facilities.

There being no further questions or discussions, Mr. Montgomery called for a motion for approval of exemption of purchase from competitive bidding and Consider Approval of Proposed Order Form Agreement between Infor (US), Inc. successor to Lawson Software, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Ms. DeBose made a motion for the exemption(s) from competitive bidding and for approval of agreement. The motion was seconded by Mr. Powell as presented and carried unanimously.

- K. Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(d) regarding an exception to competitive bidding for the purchase of professional services where obtaining such services through competitive bidding is prohibited or not practical, and Consider Approval of exemption(s) of purchase from competitive bidding and Consider Approval of Amendment to License Agreement between Epic Systems Corporation and Tarrant County Hospital District d/b/a JPS Health Network.

Ms. Costin presented Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(d) regarding an exception to competitive bidding for the purchase of professional services where obtaining such services through competitive bidding is prohibited or not practical: Consider Approval of exemption(s) of purchase from competitive bidding and Consider Approval of Amendment to License Agreement between Epic Systems Corporation and Tarrant County Hospital District d/b/a JPS Health Network. Approval of this agreement will allow for a newly designed electronic record add on module in EPIC for all dental care patients in the District.

There being no further questions or discussions, Mr. Montgomery called for a motion. Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(d), for Approval of exemption(s) of purchase from competitive bidding and Approval of Amendment to License Agreement between Epic Systems Corporation and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Petty made a motion to approve the exception(s) to competitive bidding and to approve Amendment. The motion was seconded by Ms. DeBose as presented and carried unanimously.

L. Consider Approval of Appointment of Scott Rule to the City of North Richland Hills Tax Increment Reinvestment Zone Number Two.

Robert Earley presented Approval of Appointment of Scott Rule to the City of North Richland Hills Tax Increment Reinvestment Zone Number Two to the committee for approval.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve Appointment of Scott Rule to the City of North Richland Hills Tax Increment Reinvestment Zone Number Two. Mr. Powell made a motion for approve. The motion was seconded by Dr. Webber as presented and carried unanimously.

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

Cory Hartsfield announced the monthly report listing 26 contracts negotiated under \$200,000 and 3 contracts between \$200,000 and \$500,000 has been posted to the board portal.

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

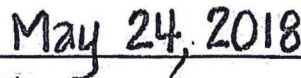
VIII. **RECONVENE IN OPEN SESSION FOR DELIBERATION(S) AND/OR ACTION(S) DEEMED NECESSARY REGARDING ANY MATTER LISTED ON THE CLOSED SESSION AGENDA.**

IX. **ADJOURN**

There being no further business of the TCHD Joint Board of Managers and Finance Committee meeting was adjourned at 10:56 am.



Charlie Powell, Board



Date