

**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, SEPTEMBER 27, 2018**

MEETING MINUTES

The Tarrant County Hospital District ("District") Board of Managers and Finance Committee met at 10:00 a.m. Thursday, September 27, 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 Powell, Board Chair
Charles Webber, M.D., Board Vice-Chair
D.T. Nguyen, Board Secretary
Dorothy DeBose
Daniel Ziegler, M.D.

Members Absent: Rev. Ralph Emerson, Immediate Past Board Chair
Trent Petty, Past Board Chair
Warren Norred

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
Scott Rule, Vice President, Chief of Staff
Chet Schrader, M.D., Medical Staff President
Dr. Cheryl Hurd, Program Director, Behavioral Health, Acclaim
Michael Hochberg, M.D., President, Chief Medical Officer, Acclaim
Timothy Kremer, M.D., Senior Vice President, Chief Medical Officer
Kenneth Carr, Senior Vice President, Network Operations
Zelia Baugh, Executive Vice President, Behavioral Health Administrator
Melinda Costin, Senior Vice President, Chief Information Officer
Karen Duncan, M.D., Executive Vice President, Community Health
Pia Walker, Senior Vice President, Human Resources
Michelle Green-Ford, Interim Vice President, Diversity and Inclusion
Lara Burnside, Senior Vice President, Chief Patient Experience Officer
J.R. Labbe, Vice President, Communications and Community Affairs
Tricia Elliott, M.D., Vice President, Chief Academic Affairs Officer
Tricia Swift, Vice President, Chief Quality Officer
Diana Singer, Director, Academic Affairs
Ammie Harris, Executive Director, Contract Administration
Neal Adams, General Counsel
Lee Ann Gilly, Executive Assistant

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

I. CALL TO ORDER

Steve Montgomery called the September 27, 2018 TCHD Finance Committee meeting to order at 10:03 a.m. Members present represented a quorum to conduct 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 August 23, 2018, Tarrant County Hospital District Joint Board of Managers and Finance Committee meeting and called for a motion. Dr. Charlie Webber made a motion for approval; motion was seconded by Dorothy DeBose and the motion carried unanimously.

IV. CFO REPORT

Sharon Clark reminded the Committee that September 30, 2018 is the District's fiscal year-end.

V. MATTERS THAT REQUIRE DISCUSSION AND COMMITTEE ACTION

A. Consider Acceptance of August 2018 Unaudited Financial Report

Ms. Clark presented the Unaudited Financial Report for August 2018.

Hospital:

Inpatient Admissions were favorable by 9% compared to budget and were the highest reported this fiscal year with 2,959 admissions during August. Patient Days were favorable by 12% for the month. Patient Acuity, measured by Case Mix Index, was below budget slightly by 5%. Length of Stay was 3% above budget for the month but was the lowest reported in several months.

Outpatient Emergency Department visits were on target for the month. On average, year to date, the ED has seen 316 patients a day. Urgent Care Visits were unfavorable by 9% compared to budget while they averaged 146 patients seen a day this year. Primary Care Clinic Visits were 1% below budget and Specialty Clinic Visits were 2% greater than budget for the month.

Observation Days were unfavorable by 13% for the month. Invasive Lab Cases were favorable by 9% compared to budget. Inpatient Surgeries were favorable by 3% and Outpatient Surgeries were 9% unfavorable for the month compared to budget but were significantly ahead of last month.

Psychiatric Patient Days were favorable by approximately 8% compared to budget. Psychiatric Clinic Visits continue to trend the same for the last quarter. Psychiatric Emergency Visits were

under budget by 13%. Psychiatric Partial Hospitalization Days were unfavorable by 2% for the month compared to budget.

FTE's per Adjusted Patient Day were favorable at 5.59 compared to end-of-year target of 5.80. Days Cash on Hand Available for Operations was 181 days. Total Days Cash on Hand was 227 days. Net Account Receivable Days were 48 days for the month.

JPS Connection enrollment increased by 64 enrollees during August bringing current total enrollment to 39,288.

Net Patient Service Revenue was favorable to budget by 8%, due to the UHRIP Program providing additional revenues through the Medicaid Managed Care Program.

Salaries were unfavorable by 4% due to staffing for inpatient volumes. Benefits were favorable by 6% for the month compared to budget.

Purchased Services were unfavorable by 19% compared to budget, due to changes in the Intergovernmental Transfer (IGT) process and IGT payments associated with the UHRIP program.

Supplies and Other Operating Expenses were favorable by 8% for the month.

For the month, Loss from Operations was \$712,000 compared to a budgeted Income from Operations of \$335,000. Year-to-date Loss from Operations was \$417,000 compared to a budgeted \$3.6 million. Net Income was \$10.9 million to date.

Acclaim:

Physician billed encounters were unfavorable by 12% compared to budget due to multiple vacant provider positions in Family Medicine, Dermatology, Psychiatry, Neurology, Women's Health and ENT. The Net Operating Expense per Encounter was on track this month compared to budget and 7% favorable year-to-date.

Net Patient Revenue was unfavorable by 6% compared to budget. Other Operating Revenue was favorable by 4% for the month of August.

Salaries were favorable by 4%, primarily due to provider and staff vacancies. Benefits were favorable by 29% compared to budget due to open positions. Net Salaries and related expenses were favorable by 4% compared to budget.

Purchased Services were favorable by 5% for the month.

Other Operating Expenses were unfavorable by 4% compared to budget.

For the month, Acclaim's financial statements reflected a \$365,000 Loss from Operations compared to a budgeted loss of \$560,000. Year-to-date, the Loss from Operations was \$9.9 million compared to a budgeted loss of \$11.7 million.

There being no further questions or discussion, Mr. Montgomery called for a motion to accept the August 2018 Unaudited Financial Report. D.T. Nguyen made a motion for approval; motion was seconded by Charles Powell as presented and the motion carried unanimously.

B. Consider Approval of Proposed First Agreement between APEX Print Technologies, LLC. and Tarrant County Hospital District d/b/a JPS Health Network.

Ms. Clark presented the Proposed First Agreement between APEX Print Technologies, LLC and Tarrant County Hospital District d/b/a JPS Health Network. Approval of this agreement will offer a selection of payment solutions for the patients of the District.

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

C. Consider Approval of Proposed First Amendment to ATM Lease Agreement between Tarrant County Hospital District d/b/a JPS Health Network and JP Morgan Chase Bank, National Association.

Ms. Clark presented the Proposed First Amendment between JP Morgan Chase Bank, National Association and Tarrant County Hospital District d/b/a JPS Health Network. Approval of this agreement will allow placement for an ATM for the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed First Amendment to ATM Lease Agreement between JP Morgan Chase Bank, National Association and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Powell made a motion for approval; motion was seconded by Ms. DeBose as presented and the motion carried unanimously.

D. Consider Approval of Purchase Agreement for Real Properties located at 200 W. Magnolia by and between Tarrant County Hospital District d/b/a JPS Health Network and Westmont Properties, LLC.

Scott Rule presented the Purchase Agreement for Real Properties between Westmont Properties, LLC and Tarrant County Hospital District d/b/a JPS Health Network. Approval of this agreement will provide additional office space for the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Purchase Agreement between Westmont Properties, LLC and Tarrant County Hospital District d/b/a JPS Health Network. Ms. DeBose made a motion for approval; motion was seconded by Mr. Powell as presented and the motion carried unanimously.

E. Consider Approval of Proposed Second Amendment to Medical Education Affiliation Agreement for Ophthalmology between the University of Texas Southwestern Medical Center and Tarrant County Hospital District d/b/a JPS Health Network

Dr. Tricia Elliott presented the Proposed Second Amendment to Medical Education Affiliation Agreement for Ophthalmology between the University of Texas Southwestern Medical Center and Tarrant County Hospital District d/b/a JPS Health Network. Approval of this agreement will provide ongoing medical education for the Ophthalmology Residency Program for the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed Second Amendment between the University of Texas Southwestern Medical Center and Tarrant County Hospital District d/b/a JPS Health Network. Ms. DeBose made a motion for approval; motion was seconded by Dr. Webber as presented and the motion carried unanimously.

F. Consider Approval of Purchase Agreement between K2M, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Trudy Sanders presented the Purchase Agreement between K2M, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Approval of this agreement will allow for equipment, instruments and implants for the Orthopedic and Neurosurgical Departments of the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Purchase Agreement between K2M, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Ms. DeBose made a motion for approval; motion was seconded by Dr. Webber as presented and the motion carried unanimously.

G. Consider Approval of Services Agreement between UHS Surgical Services, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Sanders presented the Service Agreement between UHS Surgical Services, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Approval of this agreement will provide surgical services for the operating rooms for the patients of the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Service Agreement between UHS Surgical Services, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Ms. DeBose made a motion for approval; motion was seconded by Mr. Nguyen as presented and the motion carried unanimously.

H. Consider Approval of Purchase Order 50024900-0-SER for the annual renewal of 3M software support subject to the Software License Agreement between the Tarrant County Hospital District d/b/a JPS Health Network and Minnesota Mining and Manufacturing Company ("3M"), effective November 16, 1996 as amended.

Melinda Costin presented the Purchase Order 50024900-0-SER for the annual renewal of 3M software support subject to the Software License Agreement between the Tarrant County Hospital District d/b/a JPS Health Network and Minnesota Mining and Manufacturing Company ("3M"), effective November 16, 1996 as amended. Approval of this agreement will allow for renewal of software support for the 3M Information Systems for the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Purchase Order 50024900-0-SER for the annual renewal of 3M software support subject to the Software License Agreement between the Tarrant County Hospital District d/b/a JPS Health Network and Minnesota Mining and Manufacturing Company ("3M"), effective November 16, 1996 as amended. Dr. Webber made a motion for approval; motion was seconded by Mr. Nguyen as presented and the motion carried unanimously.

I. Consider Approval of Professional Medical Services Agreement by and between MHMR Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network.

Zelia Baugh presented the Professional Medical Services Agreement by and between MHMR Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network. Approval of this agreement will assist in providing services by MHMRTC to the residents of Tarrant County.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Professional Medical Services Agreement by and between MHMR Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval; motion was seconded by Ms. DeBose as presented and the motion carried unanimously.

J. Consider Approval of the Proposed Amendment to FY19 Adult and Adolescent Crisis Mental Health Services Agreement between the Tarrant County Hospital District d/b/a JPS Health Network and MHMR of Tarrant County.

Ms. Baugh presented the Proposed Amendment to FY19 Adult and Adolescent Crisis Mental Health Services Agreement between Tarrant County Hospital District d/b/a JPS Health Network and MHMR of Tarrant County. Approval of this agreement will assist in providing services by MHMRTC to the residents of Tarrant County.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed Amendment to FY19 Adult and Adolescent Crisis Mental Health Services Agreement between MHMR of Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network. Ms. DeBose made a motion for approval; motion was seconded by Dr. Webber as presented and carried unanimously.

K. Consider Approval of FY19 Professional Services Agreement by and between Tarrant County Hospital District d/b/a JPS Health Network and MHMR of Tarrant County for Non-Community Services

Ms. Baugh presented the FY19 Professional Services Agreement by and between Tarrant County Hospital District d/b/a JPS Health Network and MHMR of Tarrant County for Non-Community Services. Approval of this agreement will assist in providing services by MHMRTC to the residents of Tarrant County.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the FY19 Professional Services Agreement by and between MHMR of Tarrant County for Non-Community Services Tarrant County Hospital District d/b/a JPS Health Network and MHMR of Tarrant County for Non-Community Services. Mr. Powell called for a motion for approval; motion was seconded by Ms. DeBose as presented and the motion carried unanimously.

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

Neal Adams announced the monthly report listing 30 contracts negotiated under \$500,000. This report 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 10:43 a.m.

Charlie Powell

Charlie Powell, Chair

10/25/18

Date