

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

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

**JOINT BOARD OF MANAGERS AND FINANCE COMMITTEE MEETING  
10:00 A.M. THURSDAY, NOVEMBER 15, 2018**

**MEETING MINUTES**

The Tarrant County Hospital District ("District") Board of Managers and Finance Committee met at 10:00 a.m. Thursday, November 15, 2018 on the 3<sup>rd</sup> 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  
D.T. Nguyen, Board Secretary  
Dorothy DeBose  
Daniel Ziegler, M.D.  
Rev. Ralph Emerson, Immediate Past Board Chair (10:40 arrival)

Members Absent: Charles Webber, M.D., Board Vice-Chair  
Charles Powell, Board Chair  
Trent Petty, Past Board Chair

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  
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  
Bill Kingston, Vice President, Philanthropy & Community Development  
Zelia Baugh, Executive Vice President, Behavioral Health Administrator  
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  
Ron Skillens, Senior Vice President, Enterprise Risk Management  
Joe Velasquez, Director, Supply Chain  
Karl Janik, Manager, Supply Chain  
Ammie Harris, Executive Director, Contract Administration  
Neal Adams, General Counsel  
Lee Ann Gilly, Executive Assistant

Guests Attending: Chandler Merritt, Chief of Staff, County Judge, Tarrant County  
Greg Warner, Director, First Southwest Asset Management

**I. CALL TO ORDER**

Steve Montgomery called the November 15, 2018 TCHD Finance Committee meeting to order at 10:11 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 October 25, 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; motion was seconded by D.T. Nguyen and the motion carried unanimously.

**IV. CFO REPORT**

- A. Greg Warner, CPT, Senior Portfolio Manager of FirstSouthwest Asset Management was present to provide the Finance Committee with the FY2018 Economic Review and Investment Strategy Report.

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

FY18 assets totaled \$551 million. Investment funds are held by the District within five funds: operating, emergency operating, indenture agreements, JPS Future Fund, and malpractice self-insurance accounts.

The weighted average yield on the portfolio rose 1.97% ending FY18 compared to FY17. Weighted average days to maturity was at 169 days for FY18 compared to 179 days for FY17.

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 FY18 Year-End Investment Report was informational only with no action item.

- B. Sharon Clark reminded the Committee that October started the new fiscal year.

**V. MATTERS THAT REQUIRE DISCUSSION AND COMMITTEE ACTION**

- A. Consider Acceptance of October 2018 Unaudited Financial Report

Ms. Clark presented the Unaudited Financial Report for October 2018:

Hospital:

Inpatient Admissions were favorable by 2% compared to budget. Patient Acuity, measured by Case Mix Index, was slightly ahead of budget for the month. Length of Stay was 5.06 days for the month.

Outpatient Emergency Department visits were slightly under budget but remain on trend from prior months. Specialty Clinic Visits were 13% greater than budget for the month.

Invasive Lab Cases were favorable by 2% compared to budget, the highest month since the service began. Inpatient Surgeries were at 600 for the month and were the highest inpatient count in last 24 months. Outpatient Surgeries are trending upward although slightly under budget by 3% for the month. Both Inpatient and Outpatient Surgery are trending strong.

Psychiatric Patient Days were favorable by 4% compared to budget. Psychiatric Clinic Visits were 13% favorable compared to budget due to a new process of making follow-up appointments prior to discharge. Psychiatric Emergency Visits were slightly ahead of budget.

FTE's per Adjusted Patient Day were favorable at 5.54 compared to end-of-year target of 5.72. Days Cash on Hand Available for Operations was 141 days. Total Days Cash on Hand was 189 days. This is historically a time where cash is lower.

JPS Connection enrollment increased by 162 enrollees during October, bringing current total enrollment to 39,543.

Net Patient Service Revenue was favorable to budget by 2%, due to strong patient volumes and a favorable inpatient mix.

Salaries were on target this month compared to budget. Benefits were slightly over budget due to employee health claims.

Supplies were unfavorable by 4% due to inpatient and surgical volumes. Also included this month is the annual receipt of the vaccine inventories.

Other Operating Expenses were favorable by 7% for the month.

For the month, Income from Operations was \$1.9 million compared to a budgeted Income from Operations of \$791,000. Net Income was \$2.9 million to date.

Acclaim:

Physician billed encounters were favorable by 3% compared to budget. The Net Operating Expense per Encounter was favorable this month compared to budget.

Acclaim Provider Graph reflects a total of 446 FTE's. Of this total, 393 are employed, 8 positions are contracted and 45 positions remained vacant for the month.

Net Patient Revenue was favorable by 10% compared to budget.

Salaries were favorable by 6%, primarily due to provider vacancies.

For the month, Acclaim's financial statements reflected a \$1.5 million Loss from Operations compared to a budgeted loss of \$2.2 million.

For the month, Combined Income reflected a \$1.4 million compared to a Budgeted Combined Net Loss of \$532,000.

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

B. Consider Approval of Professional Services Agreement between BKD, LLP and Tarrant County Hospital District d/b/a JPS Health Network.

Ms. Clark presented the Professional Services Agreement between BKD, LLP and Tarrant County Hospital District d/b/a JPS Health Network. Approval of this agreement continues BKD, LLP external audit for JPS.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Professional Services Agreement between BKD, LLP 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.

C. Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g)(1) regarding an exception to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, consider approval of exemptions(s) of purchase from competitive bidding and Consider Approval of Service and Maintenance Agreement between Translogic Corporation d/b/a Swisslog Healthcare and Tarrant County Hospital District d/b/a JPS Health Network.

Zelia Baugh presented Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g)(1) regarding an exception to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, consider approval of exemptions(s) of purchase from competitive bidding and Consider Approval of Service and Maintenance Agreement between Translogic Corporation d/b/a Swisslog Healthcare and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will provide software needed to provide medical services to Tarrant County Jail inmates.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g)(1) regarding an exception to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, consider approval of exemptions(s) of purchase from competitive bidding and Consider Approval of Service and Maintenance Agreement between Translogic Corporation d/b/a Swisslog Healthcare and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Chet Schrader motioned for approval of both the exemption for competitive bid and the Approval of Service and Maintenance Agreement. The motion was seconded by Ms. DeBose as presented and carried unanimously.

D. Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g)(1) regarding an exception to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, consider approval of exemptions(s) of purchase from competitive bidding and Consider Approval of Service Agreement between Abbott Laboratories, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Kenneth Carr presented Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g)(1) regarding an exception to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, consider approval of exemptions(s) of purchase from competitive bidding and Consider Approval of Service Agreement between Abbott Laboratories, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will provide continued IR/Cath Lab monitoring for the patients of JPS Health Network.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g)(1) regarding an exception to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, consider approval of exemptions(s) of purchase from competitive bidding and Consider Approval of Service Agreement between Abbott Laboratories, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Schrader motioned for approval of both the exemption for competitive bid and the Approval of Service Agreement. The motion was seconded by Mr. Nguyen as presented and carried unanimously.

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

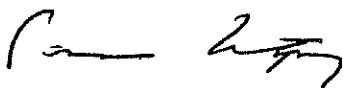
Neal Adams announced the monthly report listing 38 contracts negotiated under \$500,000. This report has been posted to the board portal.

**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 10:50 a.m.



Steve Montgomery, Chair

12/13/18

Date