

**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, NOVEMBER 16, 2017**

MEETING MINUTES

The Tarrant County Hospital District ("District") Board of Managers and Finance Committee met 10:00 a.m. Thursday, November 16, 2017 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
Rev. Ralph Emerson, Immediate Past Board Chair (Arrived at 10:30 a.m.)
D.T. Nguyen, Board Secretary (Arrived at 10:07 a.m.)
Dorothy DeBose, Member
Warren Norred, Member
Daniel Casey, M.D., Member
Daniel Ziegler, M.D., Member

Members Absent: Trent Petty, Past Board Chair
Scott Kayser, M.D., Member

Others Attending: Robert Earley, President, Chief Executive Officer
Bill Whitman, Executive Vice President, Chief Operating Officer
Sharon Clark, Executive Vice President, Chief Financial Officer
Jeanna Adler, Vice President, Finance
Martin Gilbert, Executive Director, Budget and Decision Support
Joe Velasquez, Director, Supply Chain
Karl Janik, Manager, Supply Chain
Frank Rosinia, M.D., Executive Vice President, Chief Quality Officer
James Johnson, M.D., President, Acclaim Physician Group
Dianna Prachyl, Senior Vice President, Chief Operating Officer, Acclaim
Karen Duncan, M.D., Senior Vice President, Community Health
Wanda Peebles, Senior Vice President, Chief Nursing Officer
Ronald Skillens, Senior Vice President, Enterprise Risk Management
Wayne Young, Senior Vice President, Behavioral Health Administrator
Melinda Costin, Senior Vice President, Chief Information Officer
David Mendenhall, Vice President, Chief Technology Officer
Scott Rule, Vice President, Chief of Staff
Kathleen Whelan, Vice President, Clinical and Professional Operations
J.R. Labbe, Vice President, Communications and Community Affairs
Merianne Roth, Vice President, Chief Strategy Officer
Jaime Pillai, Vice President, Operations Support Service
Pia Walker, Vice President, Human Resources

Tricia Elliott, M.D., Vice President, Chief Academic Affairs Officer
Nydia Gonzalez, Vice President, Diversity and Inclusion, Chief Diversity Officer
Michelle Green-Ford, Director, Diversity and Inclusion
Arthur Elgin, Executive Director, Facilities Management and Plant Operations
Madhura Chandak, Executive Director, Integration
Ammie Harris, Executive Director, Contract Administration
Neal Adams, General Counsel
Clarie Cressey, Executive Assistant

Guests Attending: Jeni McGarry, Precinct 2 Administrator, Tarrant County Commissioners Court
Citlaly Lozano, Tarrant County College District
Meredith Livermore, Intern, Adams, Lynch, and Loftin, P.C.

I. CALL TO ORDER

Steve Montgomery called the November 16, 2017 TCHD Joint Board of Managers and 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 October 26, 2017 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 and the motion was seconded by Dorothy DeBose and carried unanimously.

V. CFO REPORT

Sharon Clark communicated to the Board that the TCHD FY17 audit is currently being conducted by BKD and the final results will be presented at the December 14, 2017 Board of Managers meeting. The Disproportionate Share Hospital and 1115 Waiver final results should be published soon and could have an impact on the final audit, although no changes are anticipated at this time.

VI. MATTERS THAT REQUIRE DISCUSSION AND BOARD ACTION

A. Consider Approval of October 2017 Unaudited Financial Report

Ms. Clark presented the October 2017 Unaudited Financial Report to the Committee.

Hospital:

Inpatient Admissions were favorable by more than 6% compared to budget. Patient Days were favorable by approximately 3% compared to budget. Case Mix was favorable by approximately 4% compared to budget. Length of Stay was unfavorable by approximately 4% compared to the budget.

Outpatient Emergency Department visits were on target compared to the budget. Total Clinic Visits were unfavorable by approximately 4% compared to budget. Urgent Care and Total Outpatient Visits were on target compared to the budget.

Observation Days were unfavorable by approximately 9% compared to budget. Invasive Lab Cases were unfavorable compared to the budget by only 12 cases. Inpatient Surgeries were unfavorable by approximately 8% compared to budget. Outpatient Surgeries were unfavorable by approximately 8% compared to budget.

Psychiatric Patient Days were favorable by more than 2% compared to the budget. Psychiatric Clinic Visits were unfavorable by approximately 30% compared to budget. Psychiatric Emergency Visits were favorable by approximately 4% compared to budget. Psychiatric Partial Hospitalization Days were unfavorable by approximately 8% compared to the budget.

Days Cash on Hand was at 218 days. Net Account Receivable Days were at 51. FTEs per Adjusted Patient Day was favorable at 5.62 compared to a budgeted 5.80 because of the ability to use staff efficiently during October. Payor Mix percentages remained constant.

JPS Connection enrollment increased by 150 enrollees during October to a total of 40,853.

Net patient service revenue was unfavorable by \$653,000 compared to budget due to an unfavorable payor mix during the month of October.

Salaries were unfavorable by \$784,000 compared to budget because of staffing required for increased Patient Days. Benefits were unfavorable by \$890,000 compared to budget because of extraordinarily high employee health benefit costs.

Supplies were favorable by \$1.3 million primarily because there was minor equipment budgeted for October, which will likely be purchased later in the year. Drug costs and lab supply costs were also under budget. Other Operating Expense was favorable by \$439,000 due to maintenance and utilities savings.

For the month, loss from operations was \$425,000 compared to a budgeted income from operations of \$452,000. Net income was \$68,000 compared to a budget of \$1.1 million.

Acclaim:

Physician billed encounters were on target compared to budget.

For the month, Acclaim's financial statements reflected a \$944,000 loss from operations compared to a budgeted \$1 million loss from operations. The Combined Income Statement reflected a Net Income Loss of \$861,000.

There being no further questions or discussion, Mr. Montgomery called for a motion to accept the October 2017 Unaudited Financial Report. D.T. Nguyen made a motion for approval and the motion was seconded by Ralph Emerson as presented and carried unanimously.

- B. 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 exemptions(s) of purchase from competitive bidding and Consider Approval of Professional Services Agreement between Envigorate Healthcare Solutions and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Clark 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 and to consider approval of exemptions(s) of purchase from competitive bidding and Consider Approval of the Professional Services Agreement between Envigorate Healthcare Solutions and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this Agreement will assist the District in implementing a comprehensive strategic cost management program.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve 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 to consider approval of exemptions of purchase from competitive bidding and Consider Approval of the Professional Services Agreement between Envigorate Healthcare Solutions and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Nguyen made a motion for approval and the motion was seconded by Dr. Webber as presented and carried unanimously.

- C. 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 existence of patents, copyrights, secret processes, or monopolies and consider approval of exemptions(s) of purchase from competitive bidding and Consider Approval of Purchase Agreement between Strata Decision Technology, L.L.C. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Clark presented 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 existence of patents, copyrights, secret processes, or monopolies and consider approval of exemptions(s) of purchase from competitive bidding and Consider Approval of the Purchase Agreement between Strata Decision Technology, L.L.C. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this Agreement will add a budgeting and capital module to a cost accounting program that is currently being utilized allowing for one platform.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve 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 existence of patents, copyrights, secret processes, or monopolies and consider approval of exemptions(s) of purchase from competitive bidding and Consider Approval of the Purchase Agreement between Strata Decision Technology, L.L.C. and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Nguyen made a motion for approval and the motion was seconded by Reverend Emerson as presented and carried unanimously.

D. Consider Approval of Professional Services Agreement between MHMR of Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network for Adult and Adolescent Crisis Mental Health Services

Wayne Young presented the Professional Services Agreement between MHMR of Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network for Adult and Adolescent Crisis Mental Health Services to the Committee for consideration. Approval of this Agreement will provide revenue assistance for some of the expenses associated with delivering care to inpatient mental health and emergency psychiatric services.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Professional Services Agreement between MHMR of Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network for Adult and Adolescent Crisis Mental Health Services. Reverend Emerson made a motion for approval and the motion was seconded by Daniel Casey, M.D., as presented and carried unanimously.

E. Consider Approval of Professional Services Agreement between MHMR of Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network for Inpatient Mental Health Services for Involuntary Commitments

Mr. Young presented the Professional Services Agreement between MHMR of Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network for Inpatient Mental Health Services for Involuntary Commitments to the Committee for consideration. Approval of this Agreement will provide revenue assistance for some of the expenses associated with delivering care to inpatient mental health services for patients who are involuntary committed.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Professional Services Agreement between MHMR of Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network for Inpatient Mental Health Services for Involuntary Commitments. Dr. Casey made a motion for approval and the motion was seconded by Reverend Emerson as presented and carried unanimously.

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

Mr. Young presented the Professional Services Agreement between MHMR of Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network for Non-Community Services to the Committee for consideration. Approval of this Agreement will provide revenue to support a clinical social worker in behavioral health to identify and coordinate outpatient treatment.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Professional Services Agreement between MHMR of Tarrant County and Tarrant

County Hospital District d/b/a JPS Health Network for Non-Community Services. Dr. Webber made a motion for approval and the motion was seconded by Daniel Ziegler, M.D., as presented and carried unanimously.

- G. Consider Approval of Renewal Letter and Group Insurance Policies No.'s Life – 10148779-00000, STD – 10148781-00000, and 10148780-00000 between Lincoln National Life Insurance Company and Tarrant County Hospital District d/b/a JPS Health Network

Pia Walker presented the Renewal Letter and Group Insurance Policies No.'s Life – 10148779-00000, STD – 10148781-00000, and 10148780-00000 between Lincoln National Life Insurance Company and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this policy will renew the basic life and long term disability benefits for the District employees.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Renewal Letter and Group Insurance Policies No.'s Life – 10148779-00000, STD – 10148781-00000, and 10148780-00000 between Lincoln National Life Insurance Company and Tarrant County Hospital District d/b/a JPS Health Network. Reverend Emerson made a motion for approval and the motion was seconded by Ms. DeBose as presented and carried unanimously.

- H. Consider Approval of Purchase Agreement between ThyssenKrupp and Tarrant County Hospital District d/b/a JPS Health Network

Jaime Pillai presented the Purchase Agreement between ThyssenKrupp and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this Agreement will continue to provide elevator maintenance within the District.

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

- I. 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 existence of patents, copyrights, secret processes, or monopolies and consider approval of exemptions(s) of purchase from competitive bidding and Consider Approval of the Purchase Agreement between Simplex Grinnell L.P. and Tarrant County Hospital District d/b/a JPS Health Network

Mr. Pillai presented 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 existence of patents, copyrights, secret processes, or monopolies and consider approval of exemptions(s) of purchase from competitive bidding and Consider Approval of Purchase Agreement between Simplex Grinnell L.P. and Tarrant

County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this Agreement will provide life safety and fire protection system maintenance.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve 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 existence of patents, copyrights, secret processes, or monopolies and consider approval of exemptions(s) of purchase from competitive bidding and Consider Approval of the Purchase Agreement between Simplex Grinnell L.P. and Tarrant County Hospital District d/b/a JPS Health Network. Reverend Emerson made a motion for approval and the motion was seconded by Ms. DeBose as presented and carried unanimously.

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

Neal Adams announced there were 21 contracts under \$200,000 posted to the board portal.

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

There were no items for executive session

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

X. ADJOURN

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



Steve Montgomery, Finance Committee Chairman



Date