

**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, MAY 24, 2018**

MEETING MINUTES

The Tarrant County Hospital District ("District") Board of Managers and Finance Committee met 10:00 a.m. Thursday, May 24, 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:

Charles Powell, Board Chair
Charles Webber, M.D., Board Vice-Chair
D.T. Nguyen, Board Secretary
Dorothy DeBose, Board Member
Warren Norred, Member

Members Absent: Rev. Ralph Emerson, Immediate Past Board Chair
Steve Montgomery, Committee Chair
Trent Petty, Past Board Chair
Daniel Ziegler, M.D., Board 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
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
Bassam Ghabach, M.D., Medical Director, Acclaim Oncology
Zelia Baugh, Executive Vice President, Behavioral Health Administrator
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
David Mendenhall, Vice President, Chief Technology Officer
Michelle Atkins, Director, Internal Audit
Ammie Harris, Executive Director, Contract Administration
Karen Duncan, M.D., Executive Vice President, Community Health
Kathleen Whelan, Vice President, Clinical and Professional Operations
Pia Walker, Senior Vice President, Human Resources
Patrick Makarewich, Service Line Administrator, Center for Cancer Center
Michelle Green-Ford, Interim Vice President, Diversity and Inclusion
J.R. Labbe, Vice President, Communications and Community Affairs

Tricia Elliott, M.D., Vice President, Academic Affairs
Suzanne Fleming, Executive Director, Financial Strategy
Cory Hartsfield, General Counsel
Lee Ann Gilly, Executive Assistant

I. CALL TO ORDER

Charles Powell called the May 24, 2018 TCHD Finance Committee meeting to order at 10:06 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. Powell asked the Committee to review minutes from the April 24, 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 Dr. Charlie Webber and carried unanimously.

IV. CFO REPORT

Sharon Clark communicated to the Board that the quarterly First Southwest/Hilltop Investment Report Summary ending March 31, 2018 was uploaded to the board portal.

V. MATTERS THAT REQUIRE DISCUSSION AND BOARD ACTION

A. Consider Acceptance of April 2018 Unaudited Financial Report

Ms. Clark presented the April 2018 Unaudited Financial Report to the Committee.

Hospital:

Inpatient Admissions were on target this month with budget with only 17 admissions under budget projections. Patient Days were over budget by 6 % for April. Patient Acuity, measured by Case Mix Index was slightly down. Length of Stay was 14% above budget for the month.

Outpatient Emergency Department visits were unfavorable by 4% compared to budget. Urgent Care Visits were unfavorable by 10% for the month. Year-to-date the Emergency Department averaged seeing 314 patients per day during the first 7 months. Urgent Care had on average 150 patients per day. Primary Care visits were on track this month with budget while Specialty Care Clinic visits were favorable by 8% for the month.

Observation Days were unfavorable by 5% compared to budget. Invasive Lab Cases were favorable by 8% compared to budget. Inpatient and Outpatient Surgeries remain behind budget for the month, mainly due to changes in protocol in several of our specialty areas.

Psychiatric Patient Days were favorable by 5% compared to budget. Psychiatric Clinics experienced one of the highest volume months for visits during this fiscal year, but were under budget by 10% for the month. Psychiatric Emergency Visits were slightly under budget but trending up from prior months. Psychiatric Partial Hospitalization Days were unfavorable by 25% compared to budget.

FTE's per Adjusted Patient Day were favorable at 5.64 compared to our end-of-year target of 5.80. Days Cash on Hand Available for Operations was 240 days. Total Days Cash on Hand was 287 days. Net Account Receivable Days were 49.

JPS Connection enrollment for April increased by 2 % which brought our enrollment to 38,168.

Net Patient Service Revenue was favorable to budget by 7%, due to new UHRIP Program and Medicaid Managed Care Conversions from self-pay.

Salaries were unfavorable by 5% due to staffing for inpatient volumes. Benefits were unfavorable by 8% for the month primarily in the employee health expense due to higher utilization by employees and their dependents.

Purchased Services were unfavorable by 7% compared to budget, due to changes in the Intergovernmental Transfer (IGT) process and IGT payments associated with the UHRIP program and the impact of not offloading physician contracts through TCICC.

Supplies were favorable by 4% compared to budget. Other Operating Expenses were favorable by 2% for the month.

For the month, Income from Operations was \$33,000 compared to a budgeted Income from Operations of \$106,000. Year-to-date Income from Operations was \$971,000 compared to a budgeted \$2.8 million. Net Income was \$6.9 million to date.

Acclaim:

Physician billed encounters were unfavorable by 5% compared to budget due to multiple vacant provider positions in Family Medicine, Dermatology, Psychiatry, Neurology and ENT. The Net Operating Expense per Encounter was slightly unfavorable this month, however year-to-date was favorable by 3% compared to budget.

Net Patient Revenue was unfavorable by 14% primarily due to the low patient volume and provider vacancies.

Salaries were favorable by 2%, primarily due to provider and staff vacancies. Benefits were favorable by 7% compared to budget due to open positions. Net Salaries and related expenses were on target with budget.

Other Operating Expenses for the month were favorable by 54% primarily due to the timing of recruiting expense as candidates are identified and medical education for physicians.

Purchased Services were favorable by 12% compared to budget as surgeons are converted from contract to Acclaim employees.

For the month, Acclaim's financial statements reflected a \$1.4 million Loss from Operations compared to a budgeted loss of \$1.0 million. Year-to-date, the Loss from Operations was \$8.0 million compared to a budgeted loss of \$8.0 million.

There being no further questions or discussion, Mr. Montgomery called for a motion to accept the April 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 Amendment Number One to Participating Provider Agreement between Superior HealthPlan, Inc. and Tarrant County Hospital District d/b/a JPS Health Network.

Ms. Clark presented the Amendment Number One to Participating Provider Agreement between Superior HealthPlan, Inc. and Tarrant County Hospital District d/b/a/ JPS Health Network to the Committee for consideration. Approval of this agreement allows Superior HealthPlan/Ambetter insured continued access to health care at JPS as an in-network facility.

There being no further questions or discussion, Mr. Powell called for a motion to approve the Amendment Number One to Participating Provider Agreement between Superior HealthPlan, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval. The motion was seconded by D.T. Nguyen as presented and carried unanimously.

C. Consider Approval of (1) Sublease Agreement between UT Southwestern Moncrief Cancer Center and Tarrant County Hospital District d/b/a JPS Health Network and (2) Capital Expenditures

Scott Rule presented the Sublease Agreement between UT Southwestern Moncrief Cancer Center and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration and Capital Expenditures. Several provisions of the agreement are still in negotiations between TCHD General Counsel and Counsel for UT Southwestern. Approval of this agreement will provide doubling of clinical space for the District's cancer population and needed tenant improvements, fixtures, furniture and equipment.

There being no further questions or discussion, Mr. Powell called for a motion to approve the Sublease Agreement between UT Southwestern Moncrief Cancer Center and Tarrant County Hospital District d/b/a JPS Health Network subject to final negotiation of certain contract provisions between TCHD General Counsel and Counsel for UT Southwestern. Mr. Nguyen made a motion for approval. The motion was seconded by Mrs. DeBose as presented and carried unanimously.

D. Consider Approval of Proposed Interlocal Cooperation Agreement for the Provision of Educational Services between Fort Worth Independent School District and Tarrant County Hospital District d/b/a JPS Health Network

Zelia Baugh presented the Proposed Interlocal Cooperation Agreement for the Provision of Educational Services between Fort Worth Independent School District and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will ensure the continuation of education and development for youth in the District.

There being no further questions or discussion, Mr. Powell called for a motion to approve the Proposed Interlocal Cooperation Agreement for the Provision of Educational Services between Fort Worth Independent School District 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.

E. Consider Approval of Proposed Addendum to Siemens Contract between Siemens Medical Solutions USA, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Kathleen Whelan presented the Proposed Addendum to Siemens Contract between Siemens Medical Solutions USA, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this addendum will provide an additional radiology room located within the Emergency Department for the District.

There being no further questions or discussions, Mr. Powell called for a motion to approve Proposed Addendum to Siemen's Contract between Siemens Medical Solutions USA, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Mrs. DeBose made a motion for approval. The motion was seconded by Dr. Webber as presented and carried unanimously.

F. Consider Approval of Proposed Contract and Terms of Sale for Philips Mobile Diagnostic Products between Tarrant County Hospital District d/b/a JPS Health Network and Philips Healthcare A Division of Philips North America, LLC.

Mrs. Whelan presented the Proposed Contract and Terms of Sale for Philips Mobile Diagnostic Products between Philips 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. Powell called for a motion to approve the Proposed Contract and Terms of Sale for Philips Mobile Diagnostic Products and Tarrant County Hospital District d/b/a JPS Health Network. D.T. Nguyen made a motion for approval. The motion was seconded by Ms. DeBose 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 35 contracts negotiated under \$200,000 and 2 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.



Steve Montgomery, Board

1/28/18

Date