

**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, AUGUST 23, 2018**

MEETING MINUTES

The Tarrant County Hospital District ("District") Board of Managers and Finance Committee met at 10:00 a.m. Thursday, August 23, 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
Rev. Ralph Emerson, Immediate Past Board Chair
Trent Petty, Past Board Chair
Dorothy DeBose
Warren Norred
Daniel Ziegler, M.D.

Members Absent: D.T. Nguyen, Board Secretary

Others Attending: 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
Zelia Baugh, Executive Vice President, Behavioral Health Administrator
Melinda Costin, Senior Vice President, Chief Information Officer
David Mendenhall, Vice President, Chief Technology Officer
Karen Duncan, M.D., Executive Vice President, Community Health
Kathleen Whelan, Vice President, Network Operations
Pia Walker, Senior Vice President, Human Resources
Dianna Prachyl, Senior Vice President, Chief Operating Officer, Acclaim
Wanda Peebles, Executive Vice President, Acute Care, Chief Nursing Officer
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
Jaime Pillai, Vice President, Support Services
Tricia Elliott, M.D., Vice President, Chief Academic Affairs Officer
Ron Skillens, Senior Vice President, Enterprise Risk Management, CCO
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
Mike Kessler, Arthur J. Gallagher
Bob Duty, Compass Risk Services

I. CALL TO ORDER

Steve Montgomery called the August 23, 2018 TCHD Finance Committee meeting to order at 10:07 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 July 26, 2018, Tarrant County Hospital District Joint Board of Managers and Finance Committee meeting and called for a motion. Charles Powell made a motion for approval; motion was seconded by Dorothy DeBose and the motion carried unanimously.

IV. CFO REPORT

Mr. Earley and Ms. Clark have met individually with members of the Commissioners Court to discuss the FY19 Budget as presented to the Board on August 9th. A presentation of the FY19 Budget is scheduled on August 28, 2018 to the Commissioners Court.

V. MATTERS THAT REQUIRE DISCUSSION AND COMMITTEE ACTION

A. Consider Approval of Purchase Agreement between the Tarrant County Hospital District d/b/a JPS Health Network and ZOLL Medical Corporation

Wanda Peebles presented the Purchase Agreement between Tarrant County Hospital District d/b/a JPS Health Network and ZOLL Medical Corporation to the Committee for consideration. Approval of this agreement will replace current defibrillators for the District.

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

B. Consider Approval of Addendum to Quotation (Quotation PR12-C115157, Version 7) and Terms of Sale between the Tarrant County Hospital District d/b/a JPS Health Network and GE Healthcare

Ms. Peebles presented the Addendum to Quotation (Quotation PR12-C115157, Version 7) and Terms of Sale between Tarrant County Hospital District d/b/a JPS Health Network and GE Healthcare to the Committee for consideration. Approval of this agreement will allow for replacement of the Telemetry Monitoring System for the Hospital.

There being no further question or discussion, Mr. Montgomery called for a motion to approve the Addendum to Quotation (Quotation PR12-C115157, Version7) and Terms of Sale between Tarrant County Hospital District d/b/a JPS Health Network and GE Healthcare. Dr. Webber made a motion for approval. The motion was seconded by Ms. DeBose as presented and the motion carried unanimously.

C. 2019 Insurance Policy Renewal

Ron Skillens presented the 2019 Insurance Policy Renewal between Tarrant County Hospital District d/b/a JPS Health Network and Arthur J. Gallaher & Company to the Committee for consideration. Approval of the 2019 Insurance Policy Renewal will provide the District with appropriate insurance coverages.

Mr. Skillens stated all insurance policies will renew with the incumbent carriers with the same coverage with the exception of the crime coverage and cyber liability coverage. Acquired Excess Cyber Liability coverage will include business interruption loss and data recovery loss.

Property coverage premium will increase 13% due to an increase in hail damage claims. Directors, Officers and Employment Practices Liability (EPL) premiums will increase 14% due to EPL losses. Workers Compensation Payroll will increase by 21% which includes a 5% premium increase. New General Liability coverage was obtained for the newly leased Moncrief Cancer Center space.

There being no further question or discussion, Mr. Montgomery called for a motion to approve the Insurance Policy Renewal between Tarrant County Hospital District d/b/a JPS Health Network and Arthur J. Gallaher & Company. Dr. Webber made a motion for approval. The motion was seconded by Mr. Powell as presented and the motion carried unanimously.

D. Consider Acceptance of July 2018 Unaudited Financial Report

Sharon Clark presented the Unaudited Financial Report for July 2018.

Hospital:

Inpatient Admissions were favorable by 6% compared to budget. Patient Days were favorable by 11% for July. Patient Acuity, measured by Case Mix Index, was below budget slightly by 3%. Length of Stay was 18% above budget for the month due to several patients with extended length of stays.

Outpatient Emergency Department visits were 2% below budget for the month but increased by 5% from the previous month. Urgent Care Visits were unfavorable by 11% compared to budget. Primary Care and Specialty Care visits were unfavorable by 3%, compared to budget. Year-to-date, total Clinic visits are slightly over budget.

Observation Days were unfavorable by 13% for the month. Invasive Lab Cases were favorable by 9% compared to budget. Inpatient Surgeries were 7% below budget and Outpatient Surgeries were 10% unfavorable for the month compared to budget.

Psychiatric Patient Days were favorable by approximately 6% compared to budget. Psychiatric Clinic Visits continue to trend the same for last quarter. Psychiatric Emergency Visits were under budget by 15%. Psychiatric Partial Hospitalization Days were favorable by 30% for the month compared to budget.

FTE's per Adjusted Patient Day were favorable at 5.61 compared to end-of-year target of 5.80. Days Cash on Hand Available for Operations was 201 days. Total Days Cash on Hand was 248 days. Net Account Receivable Days were 50 for the month.

JPS Connection enrollment increased by 424 enrollees during July bringing a year-to-date total enrollment to 39,224.

Net Patient Service Revenue was favorable to budget by 6%, 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 3% for the month compared to budget due to higher interest earnings in the pension plan assets which offset the expense.

Supplies and Other Operating Expenses were at target for the month.

Purchased Services were unfavorable by 13% compared to budget, due to changes in the Intergovernmental Transfer (IGT) process and IGT payments associated with the UHRIP program. There was a reconciling payment for physician coverage made to Acclaim, producing revenue for the Physician Group.

For the month, Loss from Operations was \$810,000 compared to a budgeted Income from Operations of \$573,000. Year-to-date Income from Operations was \$295,000 compared to a budgeted \$3.2 million. Net Income was \$10.4 million to date.

Acclaim:

Physician billed encounters were unfavorable by 10% 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 year-to-date is 4% favorable.

Net Patient Revenue was unfavorable by 5% compared to budget. Other Operating Revenue is over budget 26% due to a payment from JPS for physician coverage.

Salaries were favorable by 6%, primarily due to provider and staff vacancies. Benefits were favorable by 23% compared to budget due to open positions. Net Salaries and related expenses were favorable by 9% compared to budget.

Other Operating Expenses for the month were favorable by 22% primarily due to the timing of recruiting expense as candidates are identified and the timing of medical education for physicians.

Purchased Services were on target for the month compared to budget.

For the month, Acclaim's financial statements reflected a \$536,000 Income from Operations compared to a budgeted loss of \$958,000. Year-to-date, the Loss from Operations reflected was \$9.6 million compared to budget.

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

- E. Consider Approval of Pursuant to JPS Purchasing Procedure LD 7205 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, consider approval of exemptions(s) of purchase from competitive bidding and consider approval of Amendment 2 to the Software Support Agreement and Amendment 2 to the Abbott i-STAT DE Software Sublicense Agreement which support the Telcor, Inc. License Purchase Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Telco, Inc.

Kathleen Whelan presented the Amendment 2 to the Software Support Agreement and Amendment 2 to the Abbott i-STAT DE Software Sublicense Agreement which support the Telcor, Inc. License Purchase Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Telco, Inc. Agreement of this approval will allow software interface for EPIC.

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 for 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 Amendment 2 to the Software Support Agreement and Amendment 2 to the Abbott i-STAT DE Software Sublicense Agreement which support the Telcor, Inc. License Purchase Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Telco, Inc. Ms. DeBose made a motion for approval; motion was seconded by Dr. Webber as presented and the motion carried unanimously.

- F. Consider Approval of Pursuant to JPS Purchasing Procedure LD 7205 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, consider approval of exemptions(s) of purchase from competitive bidding and consider approval of Purchase Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Abbott Laboratories, Inc.

Ms. Whelan presented the Purchase Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Abbott Laboratories. Agreement of this approval will allow reagents for i-Stats for the hospital.

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 for which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, consider approval of exemption(s) of purchase from competitive bidding and consider approval of Purchase Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Abbott Laboratories, Inc. Trent Petty made a motion for approval; motion was seconded by Ms. DeBose as presented and the motion carried unanimously.

G. Consider approval of Purchase Agreement between Tarrant County Hospital District d/b/a JPS Health Network and American Well Corporation

Mr. Montgomery announced that the Purchase Agreement between Tarrant County Hospital District d/b/a JPS Health Network and American Well Corporation was removed from the agenda.

H. Consider Approval of Proposed Interlocal Cooperation Agreement for Operation of School Based Health Centers between Tarrant County Hospital District d/b/a JPS Health Network and Eagle Mountain Saginaw Independent School District (EMSISD)

Dr. Karen Duncan presented the Proposed Interlocal Cooperation Agreement for Operation of School Based Health Centers between Tarrant County Hospital District d/b/a JPS Health Network and Eagle Mountain Saginaw Independent School District to the Committee for consideration. Approval of this agreement will allow uninterrupted care for patients and families at our existing School Based Health Center within the Eagle Mountain Saginaw Independent School District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed Interlocal Cooperation Agreement for Operation of School Based Health Centers between Tarrant county Hospital District d/b/a JPS Health Network and Eagle Mountain Saginaw Independent School District. Ms. DeBose made a motion for approval; motion was seconded by Dr. Webber as presented and the motion carried unanimously.

I. Consider Approval of Proposed Interlocal Cooperation Agreement for Operation of School Based Health Centers between Tarrant County Hospital District d/b/a JPS Health Network and Fort Worth Independent School District (FWISD) and Birdville Independent School District (BISD)

Dr. Duncan presented the Proposed Interlocal Cooperation Agreement for Operation of School Based Health Centers between Tarrant County Hospital District d/b/a JPS Health Network and Fort Worth Independent School District (FWISD) and Birdville (BISD) to the Committee for consideration. Approval of this agreement will allow uninterrupted care for patients and families at our existing School Based Health Center within the Birdville Independent School District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed Interlocal Cooperation Agreement for Operation of School Based Health Centers between Tarrant county Hospital District d/b/a JPS Health Network and Fort Worth Independent School District (FWISD) and Birdville (BISD) Mr. Petty made a motion for approval; motion was seconded by Mr. Powell as presented and the motion carried unanimously.

J. Consider Approval of Proposed Interlocal Cooperation Agreement for Operation of School Based Health Centers between Tarrant County Hospital District d/b/a JPS Health Network and Grapevine-Colleyville Independent School District (GCISD)

Dr. Duncan presented the Proposed Interlocal Cooperation Agreement for Operation of School Based Health Centers between Tarrant County Hospital District d/b/a JPS Health Network and Grapevine-Colleyville Independent School District (GCISD) to the Committee for consideration. Approval of this agreement will allow uninterrupted care for patients and families at our existing School Based Health Center within the Grapevine-Colleyville Independent School District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed Interlocal Cooperation Agreement for Operation of School Based Health Centers between Tarrant county Hospital District d/b/a JPS Health Network and Grapevine-Colleyville Independent School District (GCISD). Rev. Emerson made a motion for approval; motion was seconded by Ms. DeBose as presented and the motion carried unanimously.

K. Consider Approval of Proposed Interlocal Cooperation Agreement for Operation of School Based Health Centers between Tarrant County Hospital District d/b/a JPS Health Network and Mansfield Independent School District (MISD)

Dr. Duncan presented the Proposed Interlocal Cooperation Agreement for Operation of School Based Health Centers between Tarrant County Hospital District d/b/a JPS Health Network and Mansfield Independent School District (MISD) to the Committee for consideration. Approval of this agreement will allow uninterrupted care for patients and families at our existing School Based Health Center within the Mansfield Independent School District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed Interlocal Cooperation Agreement for Operation of School Based Health Centers between Tarrant county Hospital District d/b/a JPS Health Network and Mansfield Independent School District (MISD). Mr. Powell made a motion for approval; motion was seconded by Rev. Emerson as presented and the motion carried unanimously.

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

Melinda Costin presented the Purchase Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Healthwise, Inc. to the Committee for consideration. Approval of this agreement will allow updated patient education for the District.

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

M. Consider Approval of Pursuant to JPS Purchasing Procedure LD 7205 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, consider approval of exemptions(s) of purchase from competitive bidding and

consider approval of Purchase Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Kronos, Inc.

Ms. Costin presented the Purchase Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Kronos, Inc. to the Committee for consideration. Approval of this agreement will allow JPS staff to access their timecard on their mobile devices.

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 for 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 Purchase Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Kronos, Inc. Ms. DeBose made a motion for approval; motion was seconded by Mr. Powell as presented and the motion carried unanimously.

N. Consider Approval of Contract for Services between Tarrant County Hospital District d/b/a JPS Health Network and Tarrant County Criminal District Attorney

Scott Rule presented the Contract for Services between Tarrant County Hospital District d/b/a JPS Health Network and Tarrant County Criminal District Attorney to the Committee for consideration. Approval of this agreement will provide ongoing legal services from Tarrant County Criminal District Attorney's office to the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Contract for Services between Tarrant County Hospital District d/b/a JPS Health Network and Tarrant County Criminal District Attorney. Dr. Webber made a motion for approval; the motion was seconded by Mr. Petty 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

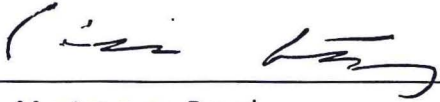
Neal Adams announced the monthly report listing 18 contracts negotiated under \$200,000 and 4 contracts between \$200,000 and \$500,000. This report has been posted to the board portal.

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

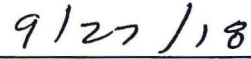
VIII. RECONVENE IN OPEN SESSION FOR DELIBERATION(S) AND/OR ACTION(S) DEEMED NECESSARY REGARDING ANY MATTER LISTED ON THE CLOSED SESSION AGENDA.

IX. ADJOURN

There being no further business of the TCHD Joint Board of Managers and Finance Committee meeting was adjourned at 11:07 a.m.



Steve Montgomery, Board



Date