

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

**EMERGENCY PROCEDURES PURSUANT TO  
GOVERNOR GREG ABBOTT'S AND  
ATTORNEY GENERAL KEN PAXTON'S  
TEMPORARY MEETING SUSPENSION GUIDELINES  
THIS MEETING IS AVAILABLE FOR VIEWING VIA  
NORMAL JPS HEALTH NETWORK YOUTUBE CHANNEL**

**WEBEX-TCHD MEETING - VIRTUAL JOINT BOARD OF  
MANAGERS AND FINANCE COMMITTEE MEETING**

**10:00 A.M. THURSDAY, JUNE 25, 2020**

**MEETING MINUTES**

The Tarrant County Hospital District ("District") Board of Managers and Finance Committee met at 10:00 a.m. Thursday, June 25, 2020 virtually and 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  
Charles Webber, M.D., Board Chair  
D.T. Nguyen, Board Member  
Dorothy DeBose, Board Vice Chair, Board Member  
Amanda Arizola, Board Member  
Roger Fisher, Committee Chair  
Zim Zimmerman, Board Member  
Rev. Ralph Emerson, Board Member  
Daniel Ziegler, M.D.  
Trent Petty, Board Member  
Cheryl Hurd, Program Director, Behavioral Health

Others Attending: Robert Earley, President, Chief Executive Officer  
Sharon Clark, Senior Executive Vice President, Chief Financial Officer  
Michael Hochberg, M.D., Senior Executive Vice President, Chief Clinical Officer  
Karen Duncan, M.D., Senior Executive Vice President, Chief Operating Officer  
David Mendenhall, Vice President, Chief Technology Officer, Information Systems  
Chet Schrader, M.D., Medical Staff President  
Neal Adams, General Counsel  
Suzanne Barnes, Executive Office Manager  
Lee Ann Gilly, Senior Executive Assistant

**I. CALL TO ORDER**

Steve Montgomery called the June 25, 2020 TCHD Finance Committee meeting to order at 10:04 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. CFO REPORT – S. Clark**

Ms. Clark updated the Committee regarding Senate Bill 1264 addressing a question asked by Mr. Nguyen at a prior meeting.

**IV. BUDGET 2021 PROCESS – S. Montgomery**

Mr. Montgomery proposed to the Committee that two Budget Retreat Meetings will be scheduled on July 17 and July 24, 2020. Suzanne Barnes will contact board member and we will coordinate these meeting on their availability.

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

**A. Consider Acceptance of May 2020 Unaudited Financial Report**

Ms. Clark presented the Unaudited Financial Report for May 2020.

**Hospital:**

May Financials continue to be impacted by COVID-19.

Inpatient Admissions were unfavorable by 8% for the month compared to budget. Length of Stay was unfavorable by 10% for the month compared to budget. Patient acuity, measured by Case Mix Index exceeded budget by 10% for the month, reflecting much sicker inpatients.

Emergency Department Visits saw a slight recovery from the April decrease but was unfavorable by 20% for the month compared to budget. Urgent Care Visits were 50% below budget for the month of May. Primary Care Clinic Visits were unfavorable by 80% for the month and Specialty Clinic Visits were 70% below normal levels due to COVID-19 restrictions. This month Primary Care Clinic Visits and Specialty Clinic Visits experienced a 36,000 visit decline for the month. However, 28,000 Telehealth Visits were conducted for JPS patients.

Inpatient Surgeries were unfavorable by 12% for the month compared to budget. Outpatient Surgeries were unfavorable by 61% for the month of May due to COVID-19 restrictions.

Psychiatric Patient Days declined slightly by 17% for the month of May and Psychiatric Clinic Visits were unfavorable for the month compared to budget. Psychiatric Emergency Visits were higher by 35% for the month compared to budget.

Days Cash on Hand Available for Operations was 271 days. Net Account Receivable Days are 43 days. FTE's per Adjusted Patient Day were unfavorable at 6.04 compared to year-to-date target of 5.60.

Payor Mix has not changed much from year to date.

JPS Connection enrollment for May reflects enrollment of 41,892 members.

Net Patient Revenue was unfavorable by 13% for the month, due to lower volumes. Ad Valorem Tax Revenue was under budget by 2% due to prior period refunds to property owners for lower re-assessed property values following appeals. Total Operating Expenses were slightly favorable to budget.

For the month, Income from Operations was \$6.4 million compared to a budgeted Income from Operations of \$3.9 million. Year-to-date Income from Operations was \$51.1 million compared to a budgeted \$41.5 million.

**Acclaim:**

Physician Billed Encounters were unfavorable for the month by 31%. Net Operating Expenses per encounter are higher than prior month.

For the month, Acclaim's financial statements reflected a \$4.0 million Loss from Operations compared to a budgeted loss of \$2.2 million. Year-to-date, the Loss from Operations was \$25.4 million compared to a budgeted loss of \$17.2 million.

Year-to-date, the Combined Income Statement reflected an Income from Operations of \$27.2 million compared to a budgeted income of \$25 million.

Mr. Nguyen brought up for discussion the treatment of a forgivable loan from a government entity, specific to FASB ASC Section 470, ASC 405-20-40-1(b), FASB ASC 958-605 & ASC 835-30-15-3(e), and how the COVID relief funds and the Medicare Advance Payment were recorded on the interim financial statements for JPS. Mr. Nguyen's concern was specifically around recording the receipts as debt and later forgiveness for treatment similar to grants. Ms. Clark stated that the \$8.1 million of the COVID relief funds received in April were recorded as Other Operating Revenue as an offset to lost patient revenue, and the \$49.5 million Medicare Advance Payment was recorded as a liability on the balance sheet until those funds are settled. Ms. Clark reported that discussion had been occurring with the JPS external auditor, BKD, to receive guidance as how to record and report these funds on an interim basis. Ms. Clark will report back to the Finance Committee at the next meeting.

There being no further questions or discussion, Mr. Montgomery called for a motion to accept the May 2020 Unaudited Financial Report. Dr. Ziegler made a motion for acceptance; motion was seconded by Dr. Webber as presented. The motion passed. Minutes will reflect that Mr. Nguyen opposed Item V.A.

**B. Motion to Reclassify Acclaim Physician Group, Inc. Debt -- S. Clark**

Ms. Clark presented the Motion to Reclassify Acclaim Physician Group, Inc. Debt. After discussion with the Committee, Mr. Montgomery announced the vote for the Motion to Reclassify Acclaim Physician Group, Inc. Debt will be delayed for further discussion.

**C. Consider Approval of Professional Services Agreement between Spivey Health Policy and Tarrant County District d/b/a JPS Health Network (816684) -- S. Clark**

Ms. Clark presented Approval of Professional Services Agreement between Spivey Health Policy and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for Consideration. Approval of this agreement is for consulting services and guidance on supplemental funding for the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Professional Services Agreement between Spivey Health Policy and Tarrant County Hospital District d/b/a JPS Health Network. Dorothy DeBose made a motion for approval. The motion was seconded by Trent Petty as presented and the motion carried unanimously.

D. Consider Approval of Purchase Agreement between Roche Diagnostics Corporation and Tarrant County Hospital District d/b/a JPS Health Network (713445) – S. Clark

Ms. Clark presented Approval of Purchase Agreement between Roche Diagnostics Corporation and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement is for the purchase of reagents utilized for molecular HIV testing for the needs of Tarrant County residents.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Roche Diagnostics Corporation and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Ziegler made a motion for approval; motion was seconded by Ms. DeBose 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 37 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, the meeting was adjourned at 11:12 a.m.

  
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Steve Montgomery, Committee Chair

7/23/2020  
\_\_\_\_\_  
Date