

**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, JULY 27, 2017**

MEETING MINUTES

The Tarrant County Hospital District ("District") Board of Managers and Finance Committee met 10:00 a.m. Thursday, July 27, 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 Powell, Board Chair
Charles Webber, M.D., Board Vice-Chair
D.T. Nguyen, Board Secretary
Dorothy DeBose, Member
Daniel Ziegler, M.D., Member (Arrived at 10:20 a.m.)

Members Absent: Rev. Ralph Emerson, Immediate Past Board Chair
Trent Petty, Past Board Chair
Daniel Casey, M.D., Member
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
Joe Velasquez, Director, Supply Chain
Kade Rutherford, Executive Director, Revenue Cycle
Kelli Shelton, Director, Managed Care
Frank Rosinia, M.D., Executive Vice President, Chief Quality Officer
Dianna Prachyl, Senior Vice President, Chief Operating Officer, Acclaim
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
Scott Rule, Vice President, Chief of Staff
J.R. Labbe, Vice President, Communications and Community Affairs
Jaime Pillai, Vice President, Operations Support Service
Pia Walker, Vice President, Human Resources
Lara Burnside, Vice President, Chief Patient Experience Officer
Michelle Green-Ford, Director, Diversity and Inclusion
Madhura Chandak, Executive Director, Integration
Ammie Harris, Executive Director, Contract Administration
Melissa Acosta, PhD., Director, Clinical Research

Nicole Rios, Healthcare Administrative Intern
Sasha Manouchehripour, Healthcare Administrative Intern
Allan Graves, General Counsel
Clarie Cressey, Executive Assistant

Guest Attending: Jeni McGarry, Precinct 2 Administrator, Tarrant County Commissioners Court

I. CALL TO ORDER

Steve Montgomery called the July 27, 2017 TCHD Joint Board of Managers and Finance Committee meeting to order at 10:10 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 June 22, 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; motion was seconded by Dorothy DeBose and carried unanimously.

IV. CFO REPORT

Sharon Clark communicated to the Board that the quarterly First Southwest/Hilltop investment summary ending June 30, 2017 was uploaded to the board portal. Information only.

Ms. Clark reviewed the Fiscal Year 2017 Projections and Fiscal Year 2018 Budget Assumptions with the Finance Committee.

V. MATTERS THAT REQUIRE DISCUSSION AND REQUIRING BOARD ACTION

A. Consider Acceptance of June 2017 Unaudited Financial Report

Ms. Clark presented the Unaudited Financial Report for June 2017.

Hospital:

Inpatient Admissions were favorable by approximately 9% compared to budget. Patient Days were favorable by approximately 7% compared to budget. Case Mix was slightly unfavorable by 4% compared to budget, which reflected lower acuity of patients. Length of Stay was favorable by approximately 5% lower compared to the budget.

Outpatient Emergency Department visits reflected 10,261 visits for the month of June, with more than 342 visits per day. Urgent Care Visits were favorable by more than 6% compared to budget, with more than 362 visits per day during June. Total Clinic Visits were favorable by more than 2% compared to budget with 61,599 visits for June. Total Outpatient Visits were favorable by more than 3% compared to budget.

Observation Days were favorable by more than 3% compared to budget. Invasive Lab Cases were favorable by more than 17% compared to the budget. There were 700 Invasive Lab Cases for June, which was the highest reported number of cases year-to-date. Inpatient Surgeries were slightly unfavorable by less than 3% compared to budget. Outpatient Surgeries were slightly unfavorable by 1% compared to budget.

Psychiatric Patient Days were on target for the month reflecting 3,590 days compared to a budgeted 3,591 days. Psychiatric Clinic Visits were favorable by almost 7% compared to budget. Psychiatric Emergency Visits were favorable by more than 7% compared to budget. Because of the elevated Psychiatric Emergency Visits over the past several months, purchased services expenses have increased. Psychiatric Partial Hospitalization Days were unfavorable by almost 19% compared to the budget.

Year-to-date FTEs per Adjusted Patient Day was favorable at 5.89 compared to a budgeted 5.96. Days Cash on Hand was at 298 days. Net Account Receivable Days were at 51. Payor Mix year-to-date remained constant.

JPS Connection enrollment increased by almost 300 enrollments during June with a year-to-date total of 39,957 enrollees.

Net patient service revenue was favorable by \$1.1 million compared to budget, partially because of higher volumes and a favorable price increase. Uncompensated Care was unfavorable by \$833,000 compared to budget to compensate for the projected annual \$10 million FY17 shortfall. Total operating revenue was favorable by \$377,000 compared to budget.

Salaries were unfavorable by \$396,000 compared to budget because of staffing for higher volumes. June, paid FTEs per Adjusted Patient Day was favorable at 5.75 compared to a budgeted 6.04. Benefits were unfavorable by \$787,000 compared to budget. Benefits has experienced a higher claims volume over the past several months.

Purchased Services were unfavorable by \$3.6 million compared to budget. Several items attributed to the June overage: first, outside medical services were over budget due to the higher psychiatric emergency department volumes during recent months and several months of home health/hospice invoices being analyzed and processed; secondly, several months were expensed for the outsourcing of lab, blood-care, and pharmacy management, which was not budgeted in FY2017, but had offsetting savings in other categories; and thirdly, physician claims paid were higher this month with increased patient volumes.

Supplies were unfavorable by \$1.2 million primarily because of the high patient volume, which caused increased pharmaceutical and drug costs.

For the month, loss from operations was \$4.9 million compared to a budgeted income from operations of \$841,000. Year-to-date loss from operations was \$2.7 million compared to a budgeted income from operations of \$10.3 million.

Acclaim:

Physician billed encounters were unfavorable by 11% compared to budget, and has been constant trend.

Net patient service revenue was unfavorable by 15.5% compared to budget. Other operating revenue was favorable by \$2.8 million, which was off-set by the unfavorable \$2.8 million purchased services expense. The net zero result was caused by the execution of the surgical services Contract assignment to Acclaim that was processed during June, recording five months of activity.

For the month, Acclaim's financial statements reflected a \$1.4 million loss from operations compared to a budgeted \$738,000 loss from operations. Year-to-date, the loss from operations was \$12.6 million compared to a budgeted loss of \$6.2 million. The Combined Income Statement year-to-date reflected a loss of \$9.4 million.

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

- B. Consider Approval of Add Product Amendment to Experian Healthcare Terms and Conditions between Search America, Inc. and Medical Present Value, Inc. (formerly doing business under the collective trade name "Experian Healthcare") and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Clark presented the Add Product Amendment to Experian Healthcare Terms and Conditions between Search America, Inc. and Medical Present Value, Inc. (formerly doing business under the collective trade name "Experian Healthcare") and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this Add Product Amendment will provide the latest technology that will provide insurance and address verification, registration quality assurance, and some authorization automation.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Add Product Amendment to Experian Healthcare Terms and Conditions between Search America, Inc. and Medical Present Value, Inc. (formerly doing business under the collective trade name "Experian Healthcare") and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

- C. Consider Approval of Amendment to Facility Participation Agreement between UnitedHealthcare Insurance Company on behalf of itself, UnitedHealthcare of Texas, Inc., United Healthcare Benefits of Texas, Inc., UnitedHealthcare Community Plan of Texas, LLC, All Savers Insurance Company and its other affiliates (collectively "United") and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Clark presented the Amendment to Facility Participation Agreement between UnitedHealthcare Insurance Company on behalf of itself, UnitedHealthcare of Texas, Inc., United Healthcare Benefits of Texas, Inc., UnitedHealthcare Community Plan of Texas, LLC, All Savers Insurance Company and its other affiliates (collectively "United") and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this Amendment will allow additional United Healthcare insureds to access care at the District as an in-network facility and will include Medicaid and CHIP programs.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Amendment to Facility Participation Agreement between UnitedHealthcare Insurance Company on behalf of itself, UnitedHealthcare of Texas, Inc., United Healthcare Benefits of Texas, Inc., UnitedHealthcare Community Plan of Texas, LLC, All Savers Insurance Company and its other affiliates (collectively "United") 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 carried unanimously.

D. Consider Approval of Provider Participation Agreement between Magellan Providers of Texas, Inc. f/k/a Magellan Behavioral Health Providers of Texas, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Clark presented the Provider Participation Agreement between Magellan Providers of Texas, Inc. f/k/a Magellan Behavioral Health Providers of Texas, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this Agreement will include the District as a contracted provider in Magellan's Commercial, Medicare and Medicaid products for Members that receive care at JPS facilities.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Provider Participation Agreement between Magellan Providers of Texas, Inc. f/k/a Magellan Behavioral Health Providers of Texas, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Charles Powell made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

E. Consider Approval of North Texas Regional IRB Collaboration Agreement and North Texas Regional IRB Authorization Agreement between University of North Texas Health Science Center and Tarrant County Hospital District d/b/a JPS Health Network

Robert Earley presented the North Texas Regional IRB Collaboration Agreement and North Texas Regional IRB Authorization Agreement between University of North Texas Health Science Center and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this Collaboration Agreement will meet the District's requirement to provide the ethical and regulatory review of research in support of its Educational Research and Service mission.

After questions and discussion between the Committee and Melissa Acosta, PhD, Mr. Montgomery called for a motion to approve the North Texas Regional IRB Collaboration Agreement and North Texas Regional IRB Authorization Agreement between University of North Texas Health Science Center and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval; motion was seconded by Mr. Powell as presented. Motion was opposed by Ms. DeBose and Mr. Nguyen. The motion passed.

F. Consider Approval of Professional Services Agreement between RelateCare, LLC and Tarrant County Hospital District d/b/a JPS Health Network

Lara Burnside presented the Professional Services Agreement between RelateCare, LLC and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this Agreement will provide an after-hours nurse triage advice line and access call center services.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Professional Services Agreement between RelateCare, LLC and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval; motion was seconded by Mr. Nguyen as presented and carried unanimously.

G. Consider Approval of Hospice Care Services Agreement between Odyssey Healthcare d/b/a Kindred Hospice and Tarrant County Hospital District d/b/a JPS Health Network

Wanda Peebles presented the Hospice Care Services Agreement between Odyssey Healthcare d/b/a Kindred Hospice and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this Agreement will provide hospice care services.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Hospice Care Services Agreement between Odyssey Healthcare d/b/a Kindred Hospice and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval; motion was seconded by Mr. Powell as presented and carried unanimously.

H. Consider Approval of Hospice Care Services Agreement between Serenity Hospice and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Peebles presented the Hospice Care Services Agreement between Serenity Hospice and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this Agreement will provide hospice care services.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Hospice Care Services Agreement between Serenity Hospice 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 carried unanimously.

I. Consider Approval of Hospice Care Services Agreement between Vitas Healthcare of Texas, LP and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Peebles presented the Hospice Care Services Agreement between Vitas Healthcare of Texas, LP and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this Agreement will provide hospice care services.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Hospice Care Services Agreement between Vitas Healthcare of Texas, LP and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

J. Consider Approval of Hospice Care Services Agreement between Community Hospice of Texas and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Peebles presented the Hospice Care Services Agreement between Community Hospice of Texas and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this Agreement will provide hospice care services.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Hospice Care Services Agreement between Community Hospice of Texas and Tarrant County Hospital District d/b/a JPS Health Network. Ms. DeBose made a motion for approval; motion was seconded by Mr. Powell as presented and carried unanimously.

K. Consider Approval of Hospice Care Services Agreement between Hospice Healthcare Network and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Peebles presented the Hospice Care Services Agreement between Hospice Healthcare Network and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this Agreement will provide hospice care services.

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

L. Consider Approval of Hospice Care Services Agreement between Covenant HP Care, LLC d/b/a Covenant Hospice and Palliative Care and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Peebles presented the Hospice Care Services Agreement between Covenant HP Care, LLC d/b/a Covenant Hospice and Palliative Care and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this Agreement will provide hospice care services.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Hospice Care Services Agreement between Covenant HP Care, LLC d/b/a Covenant Hospice and Palliative Care 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 carried unanimously

M. Consider Approval of Purchase Agreement between United States Endoscopy Group, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Peebles presented the Purchase Agreement between United States Endoscopy Group, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this Agreement will supply endoscopy supplies for patient care.

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

N. Consider Approval of Purchase Agreement between Carl Zeiss Meditec, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Peebles presented the Purchase Agreement between Carl Zeiss Meditec, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this Agreement will provide a Pentero neuro microscope for spine and cranial procedures.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Purchase Agreement between Carl Zeiss Meditec, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Ms. DeBose made a motion for approval; motion was seconded by Mr. Powell 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

There was a list of 36 contracts under \$200,000 posted to the board portal.

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

There were no items for executive session.

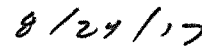
VIII. RECONVENE IN OPEN SESSION FOR DELIBERATION(S) AND/OR ACTION(S) DEEMED NECESSARY REGARDING ANY MATTER LISTED ON THE CLOSED SESSION AGENDA.

IX. ADJOURN

There being no further business of the TCHD Joint Board of Managers and Finance Committee meeting was adjourned at 11:58 a.m.



Steve Montgomery, Finance Committee Chairman



Date