

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

**1500 S. MAIN STREET  
FORT WORTH, TX 76104  
OUTPATIENT BUILDING, 3<sup>rd</sup> FLOOR AUDITORIUMS**

**JOINT BOARD OF MANAGERS AND FINANCE COMMITTEE MEETING  
10:00 A.M. THURSDAY, MAY 23, 2019**

**MEETING MINUTES**

The Tarrant County Hospital District ("District") Board of Managers and Finance Committee met at 10:00 a.m. Thursday, May 23, 2019 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 Powell, Board Chair  
Dorothy DeBose, Board Member  
Daniel Ziegler, M.D.  
Rev. Ralph Emerson, Immediate Past Board Chair (arrived 10:24)  
D.T. Nguyen, Board Secretary (arrived 10:09)  
Roger Fisher, Board Member  
Zim Zimmerman, Board Member  
Amanda Arizola, Board Member

Members Absent: Charles Webber, M.D., Board Vice-Chair  
Trent Petty, Past Board Chair

Others Attending: Robert Earley, President, Chief Executive Officer  
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  
Timothy Kremer, M.D., Senior VP, Chief Physician Engagement Officer  
Michael Hochberg, M.D., Executive VP, Chief Medical Officer  
Kenneth Carr, Senior Vice President, Network Operations  
Zelia Baugh, Executive Vice President, Behavioral Health Administrator  
Karen Duncan, M.D., Executive Vice President, Community Health  
Pia Walker, Senior Vice President, Human Resources  
Joy Parker, Vice President, Community Health  
Gary Scott, Vice President, Network Support Services  
Rory McCrady, Vice President, Revenue Cycle  
Lara Burnside, Senior Vice President, Strategy, Chief Patient Experience Officer  
Wanda Peebles, Executive Vice President, Acute Care, Chief Nursing Officer  
Michelle Green-Ford, Vice President, Diversity and Inclusion  
Laura Thomas, Senior Vice President, Finance  
Trudy Sanders, Vice President, Patient Care Services  
Ammie Harris, Executive Director, Contract Administration  
Joe Velasquez, Director, Supply Chain

Kelli Ford, Director, Managed Care  
Karl Janik, Manager, Supply Chain  
Neal Adams, Legal Counsel  
Lee Ann Gilly, Senior Executive Assistant

**I. CALL TO ORDER**

Steve Montgomery called the May 23, 2019 TCHD 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 COMMITTEE**

There were no citizens present wishing to address the Finance Committee.

**III. MINUTES**

Mr. Montgomery asked the Committee to review minutes from the April 25, 2019, Tarrant County Hospital District Joint Board of Managers and Finance Committee meeting and called for a motion. Dorothy DeBose made a motion for approval; motion was seconded by Charles Powell and carried unanimously.

**IV. CFO REPORT**

Sharon Clark announced to the Committee that the Fiscal Year 2020 budget process has begun and will be presented at the August 8<sup>th</sup> Board of Managers Meeting.

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

**A. Consider Acceptance of April 2019 Unaudited Financial Report**

Ms. Clark presented the Unaudited Financial Report for April 2019.

**Hospital:**

Inpatient Admissions were favorable by 8% compared to budget. Patient Days were favorable by 5% for the month. Patient Acuity, measured by Case Mix Index, was slightly higher than budget by 2 %. Length of Stay was ahead of budget by 15 % for the month.

Outpatient Emergency Department visits were favorable by 7% for the month. Urgent Care visits were 3% over budget. Primary Care Clinic Visits were favorable by 7% and Specialty Clinic Visits were favorable by 8% compared to budget.

Observation Cases were 13% ahead of budget for the month. Invasive Lab Cases were favorable by 5% for the month. Inpatient Surgeries were favorable by 22% for the month. Outpatient Surgeries were favorable by 2% and are at a 2 year high.

Psychiatric Patient Days were strong and were favorable by 3%. Psychiatric Clinic Visits were 16% ahead of budget for the month. Psychiatric Emergency Visits were above budget by 3% for the month. Psychiatric Partial Hospitalization Days are favorable by 35% this month.

FTE's per Adjusted Patient Day were favorable at 5.48 compared to end-of-year target of 5.72. Days Cash on Hand Available for Operations was 229 days. Total Days Cash on Hand was 280 days. Net Account Receivable Days was 48 days for the month.

JPS Connection enrollment increased by 564 enrollees during April, bringing total enrollment to 41,216.

Net Patient Service Revenue was favorable to budget by 4% mainly due to volume.

Salaries were on budget for the month. Benefits were favorable by 4% compared to budget.

Purchased Services were favorable by 6% compared to budget. Supplies were unfavorable by 2% and Other Operating Expenses were slightly unfavorable for the month and is related to the timing of IT equipment and supplies purchases.

For the month, Income from Operations was \$4.1 million compared to a budgeted Income from Operations of \$849,000. Year-to-date Income from Operations was \$14.3 million compared to a budgeted \$4.9 million. Net Income was \$26 million to date.

**Acclaim:**

Physician billed encounters were favorable by 2% for the month. Performance was strong in April with favorability in Pediatrics, Surgical Services and Neurology compared to budget. Net Operating Expense per encounter was unfavorable by 6% for the month.

Net Patient Revenue was unfavorable by 9% for the month due to additional revenue deductions taken in April. Other Operating Revenue was unfavorable by 8% compared to budget. Salaries were favorable by 2% for the month. Benefits were favorable by 11% for the month.

For the month, Acclaim's financial statements reflected a \$2.2 million Loss from Operations compared to a budgeted loss of \$1.8 million. Year-to-date, the Loss from Operations was \$12.8 million compared to a budgeted loss of \$14.2 million.

There being no further questions or discussion, Mr. Montgomery called for a motion to accept the April 2019 Unaudited Financial Report. DT Nguyen made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

B. Consider Approval of Agreement for the Collection of Taxes between Tarrant County Tax Assessor/Collector, Tarrant County, and the Tarrant County Hospital District (678515) – S. Clark

Ms. Clark presented Approval of Agreement for the Collection of Taxes between Tarrant County Hospital District d/b/a JPS Health Network and Tarrant County Tax Assessor/Collector, Tarrant County. Approval of this agreement allows the Tarrant County Tax Office to provide assessment and collection services of Ad Valorem taxes levied by the District in an efficient and effective manner through the 2021 tax year.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve Agreement for the Collection of Taxes between Tarrant County Hospital District d/b/a JPS Health Network and Tarrant County Tax Assessor/Collector, Tarrant County. Roger Fisher made a motion for approval; motion was seconded by Zim Zimmerman as presented and carried unanimously.

C. Consider Approval of Participating Provider Agreement between WellCare of Texas, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Clark presented Approval of Participating Provider Agreement between WellCare of Texas, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow members covered by WellCare Medicaid to seek treatment at a JPS Health Network facility.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve Participating Provider Agreement between WellCare of Texas, 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.

D. Consider Approval of Amendment to Hospital Services agreement between Aetna Health, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Clark presented Approval of Amendment to Hospital Services Agreement between Aetna Health, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow access to care for Public Employee Benefits Cooperative members within the JPS Health Network.

There being no further questions of discussion, Mr. Montgomery called for a motion to approve the Interlocal Cooperation Agreement for Provision of Educational Services by and between Tarrant County Hospital District d/b/a JPS Health Network and Fort Worth Independent School District. Ms. DeBose made a motion for approval; motion was seconded by Mr. Powell as presented and carried unanimously with DT Nguyen abstaining.

E. Consider Approval of Second Amendment to the Associate Member Agreement between Vizient, Inc. and Tarrant County Hospital District d/b/a JPS Health Network.

S. Clark presented the Second Amendment to the Associate Member Agreement between Vizient, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow continued delivery of quality patient care in a cost efficient manner for Tarrant County residents.

There being no further questions of discussion, Mr. Montgomery called for a motion to approve Second Amendment to the Associate Member Agreement between Vizient, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Ms. DeBose made a motion for approval; motion was seconded by Dr. Ziegler as presented and carried unanimously with Mr. Nguyen abstaining.

F. Consider Approval of AIA Standard Form of Agreement between E4H – Environments for Health, LLC and Tarrant County Hospital District d/b/a JPS Health Network

Bill Whitman presented AIA Standard Form of Agreement between E4H – Environments for Health, LLC and Tarrant County Hospital District d/b/s JPS Health Network to the Committee for consideration. Approval of this agreement will allow for an Ambulatory Surgery Center space to be located at the main campus for the residents of the Tarrant County Hospital District.

There being no further questions of discussion, Mr. Montgomery called for a motion to approve AIA Standard Form of Agreement between E4H – Environments for Health, LLC and Tarrant County Hospital District d/b/a JPS Health Network d/b/a JPS Health Network. Reverend Ralph Emerson made a motion for approval; motion was seconded by Mr. Nguyen as presented and carried unanimously

- G. Pursuant to JPS Purchasing Procedures Section VIII(b), consider (1) granting an exemption to bidding for the purchase of goods and services necessary to preserve and protect the public health or safety of residents in the geographic area served by JPS and any other similar exemption recognized under the Texas Government Code Section 262.024(a)(2); and (2) approval of the Modernization Agreement for Elevators #22 and #23, between the Tarrant County Hospital District d/b/a JPS Health Network and SW Elevators, Inc.

Mr. Whitman presented Pursuant to JPS Purchasing Procedures Section VIII(b), consider (1) granting an exemption to bidding for the purchase of goods and services necessary to preserve and protect the public health or safety of residents in the geographic area served by JPS and any other similar exemption recognized under the Texas Government Code Section 262.024(a)(2); and (2) approval of the Modernization Agreement for Elevators #22 and #23, between the Tarrant County Hospital District d/b/a JPS Health Network and SW Elevators, Inc. to the Committee for consideration. Approval of this agreement will allow for the modernization of our parking garage elevators at our main campus located at 1500 S. Main.

Neal Adams, General Counsel, advised the members that their vote on this motion was a Board of Managers' vote and not a Finance Committee vote.

There being no further questions of discussion, Mr. Montgomery called for a motion to approve Pursuant to JPS Purchasing Procedures Section VIII(b), consider (1) granting an exemption to bidding for the purchase of goods and services necessary to preserve and protect the public health or safety of residents in the geographic area served by JPS and any other similar exemption recognized under the Texas Government Code Section 262.024(a)(2); and (2) approval of the Modernization Agreement for Elevators #22 and #23, between the Tarrant County Hospital District d/b/a JPS Health Network and SW Elevators, Inc. Rev. Emerson made a motion for the Board of Managers' approval; motion was seconded by DT Nguyen as presented and carried unanimously

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

Trudy Sanders presented the Purchase Agreement between KCI USA, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow for advanced wound care dressing for the patients of the District.

There being no further questions of discussion, Mr. Montgomery called for a motion to approve the Purchase Agreement between KCI USA, Inc. and Tarrant County Hospital District

d/b/a JPS Health Network. Ms. DeBose made a motion for approval; motion was seconded by Mr. Zimmerman as presented and carried unanimously

- i. Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g), consider (1) granting an exemption 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, or captive replacement parts or components for equipment, or other exemptions under Tex. Gov't. Code §262.024(a)(7); and (2) approval of Purchase Agreement between KCI USA, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Sanders presented Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g), consider (1) granting an exemption 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, or captive replacement parts or components for equipment, or other exemptions under Tex. Gov't. Code §262.024(a)(7); and (2) approval of Purchase Agreement between KCI USA, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow for continued quality wound care for the patient of the District.

There being no further questions of discussion, Mr. Montgomery called for a motion to approve Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g), consider (1) granting an exemption 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, or captive replacement parts or components for equipment, or other exemptions under Tex. Gov't. Code §262.024(a)(7); and (2) approval of Purchase Agreement between KCI USA, 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

- j. Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g), consider (1) granting an exemption 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, or captive replacement parts or components for equipment, or other exemptions under Tex. Gov't. Code §262.024(a)(7); and (2) approval of the Purchase Agreement between Covidien Sales, LLC and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Sanders presented Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g), consider (1) granting an exemption 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, or captive replacement parts or components for equipment, or other exemptions under Tex. Gov't. Code §262.024(a)(7); and (2) approval of the Purchase Agreement between Covidien Sales, LLC and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will provide continued quality care for the patients of the District.

There being no further questions of discussion, Mr. Montgomery called for a motion to approve Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g), consider (1) granting an exemption 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, or captive replacement parts or components for equipment, or other

exemptions under Tex. Gov't. Code §262.024(a)(7); and (2) approval of the Purchase Agreement between Covidien Sales, LLC and Tarrant County Hospital District d/b/a JPS Health Network. Ms. DeBose made a motion for approval; motion was seconded by Mr. Zimmerman as presented and carried unanimously.

K. Consider Approval of Purchase Agreement between Zimmer US, Inc. d/b/a Zimmer Biomet and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Sanders presented Approval of Purchase Agreement between Zimmer US, Inc. d/b/a Zimmer Biomet and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow will provide needed orthopedic implants for the patients of the District.

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

L. Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g), consider (1) granting an exemption 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, or captive replacement parts or components for equipment, or other exemptions under Tex. Gov't. Code §262.024(a)(7); and (2) approval of the Purchase and Discount Agreement between the Tarrant County Hospital District d/b/a JPS Health Network and Prolacta Bioscience, Inc.

Ms. Sanders presented Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g), consider (1) granting an exemption 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, or captive replacement parts or components for equipment, or other exemptions under Tex. Gov't. Code §262.024(a)(7); and (2) approval of the Purchase and Discount Agreement between the Tarrant County Hospital District d/b/a JPS Health Network and Prolacta Bioscience, Inc. to the Committee for consideration. Approval of this agreement will provide infant formula to the infant patients seen at the District.

There being no further questions of discussion, Mr. Montgomery called for a motion to approve Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g), consider (1) granting an exemption 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, or captive replacement parts or components for equipment, or other exemptions under Tex. Gov't. Code §262.024(a)(7); and (2) approval of the Purchase and Discount Agreement between the Tarrant County Hospital District d/b/a JPS Health Network and Prolacta Bioscience, Inc. Mr. Powell made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously

M. Consider Approval of Purchase Agreement between GE Medical Systems Information Technologies, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Sanders presented the Purchase Agreement between GE Medical Systems Information Technologies, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the

Committee for consideration. Approval of this agreement will allow continued telemetry monitoring of the patients of the District.

There being no further questions of discussion, Mr. Montgomery called for a motion to approve the Purchase Agreement between GE Medical Systems Information Technologies, Inc. and Tarrant County Hospital District d/b/a JPS Health Network for approval; Mr. Nguyen 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**

Scott Cummings announced the monthly report listing 34 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:**

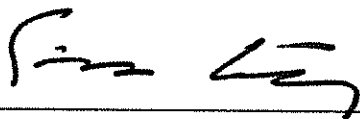
The Committee moved to Executive Session at 10:59 am.

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

The Committee reconvened in Open Session at 11:22 am

**IX. ADJOURN**

There being no further business of the TCHD Joint Board of Managers and Finance Committee, the meeting was adjourned at 11:22 a.m.



Steve Montgomery, Finance Committee Chair



Date