

**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, FINANCE & PLANNING COMMITTEE MEETING  
10:00 A.M. THURSDAY, JULY 25, 2019**

**MEETING MINUTES**

The Tarrant County Hospital District ("District") Board of Managers and Finance Committee met at 10:00 a.m. Thursday, July 25, 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:

Charles Powell, Board Chair  
Charles Webber, M.D., Board Vice-Chair  
D.T. Nguyen, Board Secretary  
Dorothy DeBose  
Rev. Ralph Emerson, Immediate Past Board Chair  
Daniel Ziegler, M.D.  
Zim Zimmerman  
Amanda Arizola

**Members Absent:** Steve Montgomery, Committee Chair  
Trent Petty, Past Board Chair

**Others Attending:** Robert Earley, President, Chief Executive Officer (arrived 10:10 am)  
Bill Whitman, Senior Executive Vice President, Chief Operating Officer  
Sharon Clark, Senior Executive Vice President, Chief Financial Officer  
Chet Schrader, M.D., Medical Staff President  
Timothy Kremer, M.D., Senior Vice President, Chief Medical Officer  
Karen Duncan, M.D., Executive Vice President, Community Health  
Pia Walker, Senior Vice President, Human Resources  
Lara Burnside, Senior Vice President, Strategy, Chief Patient Experience Officer  
Wanda Peebles, Executive Vice President, Acute Care, Chief Nursing Officer  
Cheryl Hurd, M.D., Program Director, Behavioral Health  
Michelle Green-Ford, Vice President, Diversity and Inclusion  
J.R. Labbe, Senior Vice President, Community Affairs & Development  
Ammie Harris, Executive Director, Contract Administration  
Kelli Ford, Director, Managed Care  
Scott Cummings, Legal Counsel  
Lee Ann Gilly, Senior Executive Assistant

**I. CALL TO ORDER**

Charlie Powell called the July 25, 2019 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 COMMITTEE**

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

### III. MINUTES

Mr. Powell asked the Committee to review minutes from the June 27, 2019, Tarrant County Hospital District Joint Board of Managers and Finance Committee meeting and called for a motion. Dr. Charlie Webber made a motion for approval; motion was seconded by Zim Zimmerman and carried unanimously.

### IV. CFO REPORT

Sharon Clark informed the committee that our external auditors, BKD Auditors & CPAs, have arrived onsite. They will present the annual audit to the Board in December.

#### A. JPS Projected 2019 Financials

Ms. Clark presented Projected 2019 Financials for the Medical Center.

FY19 Operating Margin was budgeted at \$6.8 million with a budget of \$36.1 million. Net Patient Revenue exceeded budget with improved revenue cycle processes. The 340B retail program that begun this year produced favorable results. Supplemental Funding Revenue, the Public Health Medicaid GME Program, and Tobacco Fund Revenue exceeded budget. A savings is expected in both Purchased Services and Other Expenses.

Uncompensated Care and DSH revenue for FY19 will not be finalized until the end of the fiscal year and could produce a variance.

#### B. JPS Budget 2020 Update

Ms. Clark presented Budget 2020 Update for the Medical Center

Ad Valorem taxes are estimated to produce a \$32.7 million increase based on numbers released in June from the Tarrant Appraisal District. A decline in the DSRIP pool size of approximately 6% will occur and more dollars will be paid on performance rather than reporting resulting in an estimated \$9 million decrease. A focus on Revenue Cycle opportunities will include \$5 million of net additional collections.

The 3<sup>rd</sup> MRI is scheduled to be functioning in October 2019. A Specialty Pharmacy is planned to capture high-cost drug prescriptions. Emergency Department visits are expected to increase in 2020 with the addition of 26 new treatment spaces. There will be a full-year impact of the 340B Retail Partner Program. Oncology and Infusion Center relocation and the addition of the second Linear Accelerator will allow additional services. Design and planning continues for the first phase of the master facility plan. Cost savings in employee health care and supply chain are also planned in the 2020 budget.

#### C. Acclaim Projected 2019 Financials

Ms. Clark presented Projected 2019 Financials for the Physician Group.

FY19 Operating Loss is projected at \$21.9 million with a budget of \$23.6 million. Acclaim is onboarding 30 providers during the last quarter of FY19. Medical Director and administrative fees are projected to decrease the last quarter of this year as contract maximums are reached.

D. Acclaim Budget 2020 Update

Ms. Clark presented Budget 2020 Update for the Physician Group.

Gross Revenue and encounters are projected at a 6% growth. The extension of Psychiatric Medical ED coverage will enhance quality of care. Expansion of ENT coverage with additional physicians as well as continuing to employ surgeons from contracted status will be budgeted. Transition of Care Connections, Street Medicine (mobile unit), and Home Visit programs from JPS to Acclaim are also planned.

V. MATTERS THAT REQUIRE DISCUSSION AND COMMITTEE ACTION

A. Consider Acceptance of June 2019 Unaudited Financial Report

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

Hospital:

Inpatient Admissions were favorable by 4% compared to budget. Patient Acuity, measured by Case Mix Index, was slightly under budget this month. Length of Stay was 2% over budget for the month.

Outpatient Emergency Department visits were over budget by 6% for the month. Urgent Care Visits were below budget due to new process changes. Primary Care Clinic Visits were under budget and Specialty Clinic Visits were slightly above budget for the month.

Invasive Lab Cases were below budget this month, due to physician vacations. Inpatient Surgeries were favorable by 24% and Outpatient Surgeries were 6% below budget, also impacted by physician time off.

Psychiatric Patient Days were favorable by 3% for the month. Psychiatric Emergency Visits were 5% under budget.

FTEs per Adjusted Patient Day were favorable at 5.52 compared to end-of-year target of 5.72. Days Cash on Hand Available for Operations was 208 days. Net Account Receivable Days was 47 days for the month.

JPS Connection enrollment continued to increase by 217 enrollees for June, bringing total enrollment to 41,484.

Net Patient Service Revenue was slightly favorable. Other Operating Revenue was over budget due to the 340B retail drug program, which has offsetting expenses below.

Purchased Services were unfavorable by 1% compared to budget due to several months of quality incentive payments. Supplies were slightly unfavorable for the month but were offset by other operating revenue.

For the month, Income from Operations was \$1.5 million compared to a budgeted Income from Operations of \$56 thousand. Year-to-date Income from Operations was \$19.9 million compared to a budgeted \$5.3 million. Year-to-date Net Income is \$35 million

**Acclaim:**

Physician billed encounters were 8% under for the month. Net Operating Expense per encounter was on budget year-to-date. Other Operating Revenue was over due to accrual of a quality incentive payment.

Acclaim onboarded 16 new providers this month, which resulted in salaries being over budget.

For the month, Acclaim's financial statements reflected a \$558 thousand Loss from Operations compared to a budgeted loss of \$1.5 million. Year-to-date, the Loss from Operations was \$15.1 million compared to a budgeted loss of \$17.9 million.

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

**B. Consider Approval of Hospital Services Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Cook Children's Health Plan**

Ms. Clark presented Approval of Hospital Services Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Cook Children's Health Plan to the Committee for consideration. Approval of this agreement will allow Cook Children's Health Plan members to access care at JPS as an in-network facility.

There being no further questions or discussion, Mr. Powell called for a motion to approve the Hospital Services Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Cook Children's Health Plan. Mr. Nguyen made a motion for approval; motion was seconded by Dorothy DeBose as presented and carried unanimously.

**C. Consider Approval of Institutional Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Humana Government Business, Inc. d/b/a Humana Military**

Ms. Clark presented Approval of Institutional Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Humana Government Business, Inc. d/b/a Humana Military to the Committee for consideration. Approval of this agreement will allow Humana TriCare members to access care at JPS as an in-network facility.

There being no further questions or discussion, Mr. Powell called for a motion to approve the Institutional Agreement between Tarrant County Hospital District d/b/a JPS Health Network

and Humana Government Business, Inc. d/b/a Humana Military. Mr. Nguyen made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

D. Consider Approval of Lease Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Tarrant County d/b/a Resource Connection of Tarrant County

Ms. Clark presented Approval of Lease Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Tarrant County d/b/a Resource Connection of Tarrant County to the Committee for consideration. Approval of this agreement provide office space for continued operations of the JPS South Campus Health Center and JPS Call Center.

There being no further questions of discussion, Mr. Powell called for a motion to approve the Lease Agreement between Tarrant County Hospital d/b/a JPS Health Network and Tarrant County d/b/a Resource Connection of Tarrant County. Ms. DeBose made a motion for approval; motion was seconded by Rev. Ralph Emerson as presented and carried unanimously.

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

Karen Duncan presented the Purchase Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Hologic, Inc. to the Committee for consideration. Approval of this agreement will allow for three new 3-D diagnostic mammography units.

There being no further questions or discussion, Mr. Powell called for a motion to approve the Purchase Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Hologic, Inc. Rev. Emerson made a motion for approval; motion was seconded by Mr. Nguyen 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 26 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 11:11 a.m.



Board Chair

8/22/19

Date