

**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, JANUARY 24, 2019**

MEETING MINUTES

The Tarrant County Hospital District ("District") Board of Managers and Finance Committee met at 10:00 a.m. Thursday, January 24, 2019 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
Rev. Ralph Emerson, Immediate Past Board Chair
Trent Petty, Past Board Chair
Dorothy DeBose
D.T. Nguyen, Board Secretary
Cheryl Hurd, M.D., Program Director, Behavioral Health

Members Absent: Charles Powell, Board Chair
Charles Webber, M.D., Board Vice-Chair
Daniel Ziegler, M.D.

Others Attending: Robert Earley, President, Chief Executive Officer
Bill Whitman, Senior Executive Vice President, Chief Operating Officer
Scott Rule, Vice President, Chief of Staff
Bill Kingston, Vice President, Philanthropy & Community Development
Joy Parker, Vice President, Community Health
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
David Mendenhall, Vice President, Chief Technology Officer
Karen Duncan, M.D., Executive Vice President, Community Health
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, Vice President, Diversity and Inclusion
Lara Burnside, Senior Vice President, Chief Patient Experience Officer
J.R. Labbe, Vice President, Communications and Community Affairs
Tricia Elliott, M.D., Vice President, Chief Academic Affairs Officer
Ammie Harris, Executive Director, Contract Administration
Joe Velasquez, Director, Supply Chain
Kelli Ford, Director, Managed Care
Ben Scott, Executive Director, Controller

Tricia Swift, Vice President, Chief Quality Officer
Cory Hartsfield, General Counsel
LeeAnn Gilly, Sr. Executive Assistant

Guests Attending: Chandler Merritt, Chief of Staff, County Judge, Tarrant County Court

I. CALL TO ORDER

Steve Montgomery called the January 24, 2019 TCHD Finance Committee meeting to order at 10:11 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. MATTERS THAT REQUIRE DISCUSSION AND COMMITTEE ACTION

A. Consider Acceptance of November 2018 Unaudited Financial Report

Ben Scott presented the November 2018 Unaudited Financial Report to the Committee

Hospital:

Inpatient Admissions were slightly under budget for the month of November. Patient Acuity, measured by Case Mix index was strong for the month, due to strong inpatient surgery volumes. Patient Days were on target for the month of November. Length of Stay was higher than budget for the month due to several patients with extended lengths of stay.

Outpatient Emergency Department Visits and Urgent Care Visits were slightly under budget for the month. Primary Care Clinic Visits were slightly under budget. Specialty Care Clinic Visits are doing very well, due to focused efforts on improved scheduling.

Observation Cases saw a significant decrease for the month. There were 538 Inpatient Surgeries compared to 435 budgeted cases. Outpatient Surgeries were trailing budget for the month. Invasive Lab Cases were very busy for the month, doing very well compared to budget.

Psychiatric Patient Days were slightly under budget for the month but are close to benchmark for length of stay. Psychiatric Clinic Visits and Psychiatric Emergency Visits were favorable compared to budget for the month.

FTE's per Adjusted Patient Day were favorable at 5.65 compared to year-to-date target of 5.72.

Net Patient Service Revenue was greater than budget by 4%, primarily due to a favorable payor mix. A decrease was recorded in Uncompensated Care Revenue due to reduced prior year funding from the State.

For the month, Income from Operations was \$548,000 compared to a budgeted income of \$566,000. Year-to-date Income from Operations was \$2.5 million compared to a budgeted \$1.7 million. Net Income year-to-date was \$1.8 million.

Acclaim:

Physician billed encounters were 3% greater than budget, due to strong volume areas in Women's Health and Pediatrics.

Total Operating Revenues were 3% over budget for the month. Overall, Operating Income was \$500,000 favorable for the month.

Benefits were favorable by 23% compared to budget.

Other Operating Expenses were higher than expected for the month, primarily due to the timing of recruiting expenses.

For the month, Acclaim's financial statements reflected a \$1.4 million Loss from Operations compared to a budgeted loss of \$ 1.9 million. Year-to-date, the Loss from Operations is \$3.0 million compared to a budgeted loss of \$4.0 million.

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

B. Consider Acceptance of December 2018 Unaudited Financial Report

Mr. Scott presented the December 2018 Unaudited Financial Report to the Committee.

Inpatient Admissions, Patient Days and Length of Stay were strong for December. Patient Acuity, measured by Case Mix Index, was close to budget for the month.

Outpatient Emergency Department Visits, Primary Care and Urgent Care Visits were slightly under budget for the month.

Observation Cases and Outpatient Surgeries were slightly under budget for the month. Invasive Lab Cases were favorable compared to budget. Inpatient Surgeries were above budget for the month.

Psychiatric Clinic Visits were up compared to budget.

FTE's per Adjusted Patient Day were favorable at 5.65 compared to end-of-year target of 5.72. Days Cash on Hand Available for Operations was higher for the month than same month prior years.

JPS Connection enrollment increased by 43 enrollees during December bringing a year-to-date total enrollment to 39,728.

Net Patient Service Revenue was on target for the month.

Salaries were favorable for the month due to monitoring overtime for staff members and PTO utilization. Benefits were higher for the month due to higher medical health insurance expense for employees.

Purchased Services were \$472,000 under budget for the month.

Year-to-date, The Medical Center is approximately \$1.5 million positive in outside medical services for Behavioral Health.

Other operating expenses were favorable for the month.

For the month, Income from Operations was \$1.5 million compared to a budgeted income of \$663,000. Year-to-date Income from Operations was \$4.0 million compared to a budgeted \$2.0 million. Net Income year-to-date was \$2.9 million.

Acclaim:

Physician billed encounters were favorable by 2% compared to budget. There was strong performance for Family Medicine, Women's Health, Pediatrics and Behavioral Health.

Salaries and related expenses were slightly under budget.

Combined Income Statement year-to-date for the District is \$3.5 million ahead of target.

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

For the month, Acclaim's financial statements reflected a \$1.9 million Loss from Operations compared to a budgeted loss of \$2.0 million. Year-to-date, the Loss from Operations is \$4.8 million compared to a budgeted loss of \$6.0 million.

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

Kelli Ford presented the Participating Provider Agreement between Amerigroup Texas, Inc. d/b/a/ Amerigroup and Tarrant County Hospital District d/b/a JPS Health Network. Approval of this agreement will allow the members of Amerigroup to continue to access covered care in the District.

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

D. Consider Approval of Letter of Agreement between Cigna-HealthSpring and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Ford presented the Letter of Agreement between Cigna-HealthSpring and Tarrant County Hospital District d/b/a JPS Health Network. Agreement of this approval will allow for continued Medicaid Star Plus coverage for the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Letter of Agreement between Cigna-HealthSpring and Tarrant County Hospital District d/b/a JPS Health Network. Rev. 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), consider approval of (1) an exception to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, and (2) Complete Protection Plan Agreement by and between RF Technologies, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Wanda Peebles presented Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g), consider approval of (1) an exception to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, and (2) Complete Protection Plan Agreement by and between RF Technologies, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Agreement of this approval will allow the continued use of infant alarm security systems for the patients of the District.

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) an exception to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, and (2) Complete Protection Plan Agreement by and between RF Technologies, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Petty made a motion for approval; motion was seconded by Rev. Emerson as presented and the motion carried unanimously.

- F. Consider approval of Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g), consider approval of (1) an exception to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, and (2) Purchase Agreement by and between AxoGen Corporation and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Peebles presented Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g), consider approval of (1) an exception to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, and (2) Purchase Agreement by and between AxoGen Corporation and Tarrant County Hospital District d/b/a JPS Health Network. Approval of this agreement will allow continued use of nerve grafts and nerve sheaths to be used in the operating room by surgeons for the patients of the District.

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) an exception to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, and (2) Purchase Agreement by and between AxoGen Corporation and Tarrant County Hospital District d/b/a JPS Health Network. Rev. Emerson made a motion for approval; motion was

seconded by Ms. DeBose and the motion was carried unanimously. Minutes will reflect that D.T. Nguyen opposed Item III.F

- G. Consider Approval of Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(i), consider approval of (1) an exception to competitive bidding for purchase of skin, marrow, blood and blood products, heart valves and other human organs, where obtaining these items through competitive bidding process is not practical, and (2) Allograft Tissue Distribution Agreement between - UT Southwestern Medical Center and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Peebles presented Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(i), consider approval of (1) an exception to competitive bidding for purchase of skin, marrow, blood and blood products, heart valves and other human organs, where obtaining these items through competitive bidding process is not practical, and (2) Allograft Tissue Distribution Agreement between - UT Southwestern Medical Center and Tarrant County Hospital District d/b/a JPS Health Network. Approval of this agreement will allow for supplies and services used by surgical specialists for the operating room for the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(i), (1) an exception to competitive bidding for purchase of skin, marrow, blood and blood products, heart valves and other human organs, where obtaining these items through competitive bidding process is not practical, and (2) Allograft Tissue Distribution Agreement between - UT Southwestern Medical Center and Tarrant County Hospital District d/b/a JPS Health Network. Ms. DeBose made a motion for approval; motion was seconded by Rev. Emerson as presented and carried unanimously.

- H. Consider Approval of Amendment to the Professional Services Agreement by and between MHMR of Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network

Zelia Baugh presented Consider Approval of Amendment to the Professional Services Agreement by and between MHMR of Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow mental health services through MHMR to adults and adolescents in mental health crisis that reside in Tarrant County.

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

- I. Consider Approval of Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g), consider approval of (1) an exception to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, and (2) Addendum to Quotation by and between Brainlab Inc., and Tarrant County Hospital District d/b/a JPS Health Network

Kenny Carr presented Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g), consider approval of (1) an exception to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights,

secret processes, or monopolies, and (2) Addendum to Quotation by and between Brainlab Inc., and Tarrant County Hospital District d/b/a JPS Health Network. Approval of this agreement will allow for continuing use of trauma CAD software for the patients of the District.

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) an exception to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, and (2) Addendum to Quotation by and between Brainlab Inc., and Tarrant County Hospital District d/b/a JPS Health Network. Rev. Emerson made a motion for approval; motion was seconded by Mr. Nguyen as presented and carried unanimously.

- J. Consider Approval of Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g), consider approval of (1) an exception to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, and (2) Service Agreement between Ziehm Imaging, Inc. and the Tarrant County Hospital District d/b/a JPS Health Network

Mr. Carr presented Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g), consider approval of (1) an exception to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, and (2) Service Agreement between Ziehm Imaging, Inc. and the Tarrant County Hospital District d/b/a JPS Health Network. Approval of this agreement will allow imagining for the District.

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) an exception to competitive bidding for purchase of goods and services which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, and (2) Service Agreement between Ziehm Imaging, Inc. and the Tarrant County Hospital District d/b/a JPS Health Network. Mr. Emerson made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

IV. REPORT OF LEGAL COUNSEL AND/OR LEGAL MATTERS REQUIRING DISCUSSION(S), UPDATE(S), DELIBERATION(S), ACTION(S) AND/OR APPROVAL

Cory Hartfield announced the monthly report listing 26 contracts negotiated under \$500,000. This report has been posted to the board portal.

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

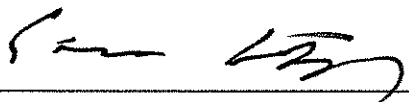
The Committee moved to Executive Session at 11:16 am

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

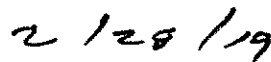
The Committee reconvened in Open Session at 11:38 a.m.

VII. ADJOURN

There being no further business of the TCHD Joint Board of Managers and Finance Committee meeting was adjourned at 11:38 a.m.



Steve Montgomery, Board



Date