

**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 COMMITTEE MEETING  
10:00 A.M. THURSDAY, AUGUST 22, 2019**

**MEETING MINUTES**

The Tarrant County Hospital District ("District") Board of Managers and Finance Committee met at 10:00 a.m. Thursday, August 22, 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  
Charles Webber, M.D., Board Vice-Chair  
D.T. Nguyen, Board Secretary  
Dorothy DeBose, Board Member  
Amanda Arizola, Board Member  
Zim Zimmerman, Board Member  
Chet Schrader, M.D., Medical Staff President

Members Absent: Rev. Ralph Emerson, Immediate Past Board Chair  
Daniel Ziegler, M.D.  
Trent Petty, Past Board Chair

Others Attending: Bill Whitman, Senior Executive Vice President, Chief Operating Officer  
Sharon Clark, Senior Executive Vice President, Chief Financial Officer  
Timothy Kremer, M.D., Senior VP, Chief Physician Engagement Officer  
Michael Hochberg, M.D., Senior VP, Chief Medical Officer (arrived 10:15 am)  
J.R. Labbe, Senior Vice President, Community Affairs & Development  
Kenneth Carr, Senior Vice President, Network Operations  
Zelia Baugh, Executive Vice President, Behavioral Health Administrator  
Karen Duncan, M.D., Executive Vice President, Community Health  
Gary Scott, Vice President, Network Support Services  
Wanda Peebles, Executive Vice President, Acute Care, Chief Nursing Officer  
David Mendenhall, Vice President, Chief Technology Officer, Information Systems  
Michelle Green-Ford, Vice President, Diversity and Inclusion  
Laura Thomas, Senior Vice President, Finance  
Rory McCrady, Vice President, Revenue Cycle  
Robert Browder, Vice President, Office of Legal Services  
Ron Skillens, Senior VP, Enterprise Risk Management, Chief Compliance Officer  
Diana Brodeur, Vice President, Communications  
Cory Hartsfield, General Counsel  
Lee Ann Gilly, Senior Executive Assistant

I. **CALL TO ORDER**

Steve Montgomery called the August 22, 2019 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. **MINUTES**

Mr. Montgomery asked the Committee to review minutes from the July 25, 2019, 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 Zim Zimmerman and carried unanimously.

IV. **CFO REPORT**

A. Commissioners Court Presentation

Sharon Clark reported to the Committee that the Fiscal Year 2020 Budget was presented to the Commissioners Court on August 20, 2019 and the final vote by the Court will take place on September 10, 2019.

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

A. Consider Acceptance of July 2019 Unaudited Financial Report

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

Hospital:

Inpatient Admissions were strong and favorable compared to budget. Length of Stay was favorable for the month and has been trending down since May.

Outpatient Emergency Department Visits were favorable this month, due to a redirection of patient flow in the Psychiatric Emergency Center. Primary Care Clinic Visits and Specialty Clinic Visits were favorable for the month. Urgent Care Visits experienced a decrease this month, also due to the redirection of patient flow that may require more acute cases to be seen in the Emergency Department.

Inpatient Surgeries were favorable for the month and continue to trend up. Outpatient Surgeries were strong and favorable for the month.

Psychiatric Patient Days were strong and above budget. Psychiatric Clinic Visits were strong for the month, due to a process change that includes scheduling follow-up appointments prior to patients being discharged. Psychiatric Emergency Visits were close to budget for the month and remain equal to last month.

Days Cash on Hand Available for Operations was 204 days. Net Account Receivable Days are continuing to decline.

JPS Connection enrollment experienced a two year high, bringing total enrollment to 42,118.

Net Patient Service Revenue was favorable to budget by 10% for the month.

For the month, Income from Operations was \$3.7 million compared to a budgeted Income from Operations of \$227 thousand. Year-to-date Income from Operations was \$23.7 million compared to a budgeted \$5.5 million. Net Income was \$40.5 million to date.

**Acclaim:**

Physician Billed Encounters were favorable by 2% for the month. Net Operating Expense per encounter was on budget both for the month and year-to-date.

For the month, Acclaim's financial statements reflected a \$1.7 million Loss from Operations compared to a budgeted loss of \$2.2 million. Year-to-date, the Loss from Operations was \$16.8 million compared to a budgeted loss of \$20.1 million.

**Combined Income Statement:**

For the month, the Combined Income Statement reflected a \$2.2 million Income from Operations. Year-to-date, as a combined entity, reflected a \$7.9 million Income from Operations.

There being no further questions or discussion, Mr. Montgomery called for a motion to accept the July 2019 Unaudited Financial Report. Dr. Webber made a motion for acceptance; motion was seconded by Amanda Arizola as presented and carried unanimously.

**B. Consider Approval of Annual Contribution to JPS Pension Plan for Year October 1, 2018 to September 30, 2019**

Ms. Clark presented Approval of Annual Contribution to JPS Pension Plan for Year October 1, 2018 to September 30, 2019 to the Committee for consideration.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve of Annual Contribution of \$17,280,811 to JPS Pension Plan for Year October 1, 2018 to September 30, 2019, as presented. Charlie Powell made a motion for approval; motion was seconded by D.T. Nguyen as presented. Dorothy DeBose abstained from voting. The motion carried unanimously.

**C. Consider Approval of Annual Contribution to Tarrant County Hospital District Governmental Excess Benefit Arrangement (GEBA) for the Plan Year October 1, 2018 to September 30, 2019**

Mr. Montgomery announced that Item V.C. will be moved to closed session.

D. Consider Approval of Agreement for Purchase and Sale of Property between Growco Development LLC and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Clark presented Approval of Agreement for Purchase and Sale of Property between Growco Development LLC and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this acquisition allows the District to have ownership of a contiguous property on Bryan Street in Fort Worth, Texas.

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

E. Consider Approval of Amendment to Commercial Lease Agreement between Larimar Development, LP and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Clark presented Approval of Amendment to Commercial Lease Agreement between Larimar Development, LP and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will provide continued leased office space for our IT team members.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Amendment to Commercial Lease Agreement between Larimar Development, LP and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Powell made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

F. Insurance Policy Renewal Update

Ron Skillens presented the 2019 Insurance Policy Renewal between Tarrant County Hospital District d/b/a JPS Health Network and Aon to the Committee for consideration. Approval of the 2019 Insurance Policy Renewal will provide the District with appropriate insurance coverages.

Mr. Skillens stated all insurance policies will renew with the incumbent carriers with the same coverage with the exception of the Airport Premises Liability and Law Enforcement coverages. Cyber Liability coverage will increase to \$30 million with broadened coverage.

The Workers Compensation Payroll increased by 16% and the premium decreased 3%. Directors & Officer/Employment Practices Liability premiums will increase by 16%. Property rates will increase 26% due to market conditions and statewide weather related losses. Terrorism coverage has been replaced and expanded with a new terrorism policy to include terrorism and sabotage, malicious acts and threats.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Insurance Policy Renewal between Tarrant County Hospital District d/b/a JPS Health Network and Aon. Mr. Nguyen made a motion for approval. The motion was seconded by Ms. DeBose as presented and the motion carried unanimously.

G. Consider Approval of Outside Medical Services Agreement between Texas Health Resources and Tarrant County Hospital District d/b/a JPS Health Network

Zelia Baugh presented Approval of Outside Medical Services Agreement between Texas Health Resources and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow JPS a safe and timely disposition of patients to other licensed, secure psychiatric facilities during instances of saturation within the Psychiatric Emergency Center.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Outside Medical Services Agreement between Texas Health Resources 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.

H. Consider Approval of Outside Medical Services Agreement between Millwood Hospital, LP and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Baugh presented the Approval of Outside Medical Services Agreement between Millwood Hospital, LP and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow JPS a safe and timely disposition of patients to other licensed, secure psychiatric facilities during instances of saturation within the Psychiatric Emergency Center.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Outside Medical Services Agreement between Millwood Hospital, LP 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.

I. Consider Approval of Outside Medical Services Agreement between Mesa Springs, LLC and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Baugh presented the Outside Medical Services Agreement between Mesa Springs, LLC and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow JPS a safe and timely disposition of patients to other licensed, secure psychiatric facilities during instances of saturation within the Psychiatric Emergency Center.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Outside Medical Services Agreement between Mesa Springs, LLC 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 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 (Medical Equipment with Installation and without Service Agreement) between Translogic Corporation d/b/a Swisslog Healthcare and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Baugh 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 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 (Medical Equipment with Installation and without Service Agreement) between Translogic Corporation d/b/a Swisslog Healthcare and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will ensure timely access of medication to inmate population and reduce medication errors.

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) granting an exemption to competitive bidding for purchase of goods and services 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 (Medical Equipment with Installation and without Service Agreement) between Translogic Corporation d/b/a Swisslog Healthcare and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Zimmerman made a motion for approval of exemption from competitive bidding and approval of the Purchase Agreement; motion was seconded by Dr. Webber as presented and carried unanimously.

K. Consider Approval of Master Service Terms Agreement between Stryker Sales Corporation and Tarrant County Hospital District d/b/a JPS Health Network

Kenny Carr presented Approval of Master Service Terms Agreement between Stryker Sales Corporation and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow uninterrupted patient care for Tarrant County residents and across the continuum of care.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Master Service Terms Agreement between Stryker Sales Corporation 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. Mr. Nguyen abstained from voting. The motion carried unanimously.

L. Consider Approval of Purchase Agreement between Avanos Medical Sales, LLC and Tarrant County Hospital District d/b/a JPS Health Network

Mr. Carr presented Approval of Purchase Agreement between Avanos Medical Sales, LLC 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 nerve block supplies for anesthesia for the patients of the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Purchase Agreement between Avanos Medical Sales, LLC. 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. Mr. Nguyen abstained from voting. The motion carried unanimously.

**M. Consider Approval of Purchase Agreement (Network Distribution Switches FY19) between Netsync Network Solutions and Tarrant County Hospital District d/b/a JPS Health Network**

David Mendenhall presented Approval of Purchase Agreement (Network Distribution Switches FY19) between Netsync Network Solutions and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow continued support of District growth and stable connections between clinics and JPS data centers.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Purchase Agreement (Network Distribution Switches FY19) between Netsync Network Solutions 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.

**N. Consider Approval of Purchase Agreement (VDI Expansion) between Netsync Network Solutions and Tarrant County Hospital District d/b/a JPS Health Network**

Mr. Mendenhall presented Approval of Purchase Agreement (VDI Expansion) between NetSync Network Solutions and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will provide the expansion of virtual desktop infrastructure technology to the staff of the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Purchase Agreement (VDI Expansion) between Netsync Network Solutions and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Powell made a motion for approval; motion was seconded by Mr. Nguyen as presented and carried unanimously.

**O. Consider Approval of Master Terms and Conditions between QTS and Tarrant County Hospital District d/b/a JPS Health Network**

Mr. Mendenhall presented Approval of Master Terms and Conditions between QTS and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow for an additional co-location data center space for the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Master Terms and Conditions between QTS and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Nguyen made a motion for approval; motion was seconded by Mr. Zimmerman 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**

Cory Hartsfield announced the monthly report listing 44 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 reconvened in Executive Session at 11:09 a.m.

**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 11:17 a.m. with the following recommendations:

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Annual Contribution to Tarrant County Hospital District Governmental Excess Benefit Arrangement (GEBA) of \$112,367 for the Plan Year October 1, 2018 to September 30, 2019, as presented. Mr. Zimmerman made a motion for approval; motion was seconded by Mr. Powell as presented and carried unanimously.

**IX. ADJOURN**

There being no further business of the TCHD Joint Board of Managers and Finance Committee, the meeting was adjourned at 11:18 a.m.

  
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Board Chair

9/26/19  
Date