

**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, OCTOBER 24, 2019**

MEETING MINUTES

The Tarrant County Hospital District ("District") Board of Managers and Finance Committee met at 10:00 a.m. Thursday, October 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
Charles Powell, Board Chair (10:14 arrival)
Charles Webber, M.D., Board Vice-Chair
D.T. Nguyen, Board Secretary
Dorothy DeBose, Board Member
Daniel Ziegler, M.D.
Chet Schrader, M.D., Medical Staff President
Amanda Arizola, Board Member
Zim Zimmerman, Board Member
Cheryl Hurd, M.D, Program Director, Behavioral Health (10:14 arrival)

Members Absent: Rev. Ralph Emerson, Immediate Past Board 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
Michael Hochberg, M.D., President, Chief Medical Officer, Acclaim (10:14 arrival)
Timothy Kremer, M.D., Sr. Vice President, Chief Physician Engagement Officer
Kenneth Carr, Senior Vice President, Network Operations
Wanda Peebles, Executive Vice President, Acute Care, Chief Nursing Officer
Robert Browder, Vice President, Office of Legal Services
Tricia Elliott, M.D., Senior Vice President, Medical Academic Research (10:14 arrival)
Laura Thomas, Senior Vice President, Finance
Rory McCrady, Vice President, Revenue Cycle
Ron Skillens, Senior Vice President, Enterprise Risk Mgt, Chief Compliance Officer
Zelia Baugh, Executive Vice President, Behavioral Health Administrator
Kelli Ford, Director, Managed Care
Scott Cummings, General Counsel
Lee Ann Gilly, Senior Executive Assistant
Suzanne Barnes, Executive Office Manager
Sabrina Wangler, Executive Assistant

I. CALL TO ORDER

Steve Montgomery called the October 24, 2019 TCHD Joint Board of Managers and 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 September 26, 2019 Tarrant County Hospital District Joint Board of Managers and Finance Committee meeting and called for a motion. Dr. Chet Schrader made a motion for approval; motion was seconded by Dorothy DeBose and carried unanimously.

IV. CFO REPORT

Sharon Clark communicated to the Board that BKD, LPP has begun the TCHD FY19 audit and the final draft audit report is scheduled to be presented at the December 19, 2019 TCHD Board of Managers Meeting for acceptance.

V. MATTERS THAT REQUIRE DISCUSSION AND COMMITTEE ACTION

A. Consider Approval of September 2019 Unaudited Financial Report

Ms. Clark presented the Unaudited Financial Reports for the month and year-to-date September 2019.

Hospital:

Inpatient Admissions were on target with budget for the month. Patient Days were slightly over compared to budget.

Outpatient Emergency Department visits continue to be strong and were favorable by 7% compared to budget. Primary Clinic Visits finished slightly under budget for September. Specialty Clinic Visits were favorable by approximately 15% compared to budget.

Inpatient Surgeries were favorable by approximately 9% compared to budget. Outpatient Surgeries were favorable by 5% compared to budget. Invasive Lab Cases were favorable by almost 6% compared to the budget.

Psychiatric Patient Days were favorable by more than 3% compared to the budget. Psychiatric Clinic Visits continue to be strong.

Days Cash on Hand was 176 days. Net Account Receivable Days were at 44 days, a new record low.

JPS Connection enrollment increased slightly by 175 enrollees, bringing total enrollment to 42,643 for September.

The Hospital's three-year trend slides were reviewed:
Inpatient Admissions increased by 4% from FY18 to FY19.

Emergency Department visits increased by almost 3% from FY18 to FY19.

Primary Care Clinic Visits leveled off from FY18 to FY19. Specialty Care Visits increased by more than 5% from FY18 to FY19.

Inpatient Surgeries increased by 11% from FY18 to FY19. Outpatient surgeries increased by 3% from FY18 to FY19.

Psychiatric Patient Days increased by 2% from FY18 to FY19. Psychiatric Clinic Visits increased almost 20% in the last two years.

Acclaim Professional Billed Encounters experienced a 17% increase from FY18 to FY19.

Account Receivables decreased to 44 days at September 2019.

FTEs per Adjusted Patient Days are 5.50 for FY19.

For the month, Income from Operations were \$6.6 million compared to a budgeted income from operations of \$355,000.

Year-to-date, Income from Operations was \$30.6 million compared to a budgeted income from Operations of \$6.8 million. Advantages this year include implementing the 340B Retail Program and the payments from UC and GME. Year-to-date Net Income was \$50.2 million compared to a budgeted Net Income of \$23.1 million.

Acclaim:

Physician Billed Encounters were unfavorable by 2% for September. Year-to-date encounters were on target.

Texas DSH/1115 Waiver payment was received for \$934,000 from a prior year settlement and was not budgeted.

For the month, Acclaim's financial statements reflected a \$191,000 Loss from Operations compared to a budgeted \$2.1 million Loss from Operations. FY19 Loss from Operations was \$18.5 million compared to a budgeted Loss from Operations of \$23.6 million. The year-to-date Net Loss was \$18.6 million compared to a \$23.6 million Budgeted loss.

Combined:

For the year, The Combined Income Statement FY19 reflected a \$33.0 million of Net Income and a \$12.9 million Operating Margin.

There being no further questions or discussion, Mr. Montgomery called for a motion to accept the September 2019 Unaudited Financial Report. Charlie Webber, M.D., made a motion for

approval and the motion was seconded by Zim Zimmerman as presented and carried unanimously.

B. Consider Approval of Letter of Agreement (UHRIP) between Cigna HealthSpring and Tarrant County Hospital District d/b/a JPS Health Network.

Ms. Clark presented Approval of Letter of Agreement (UHRIP) between Cigna HealthSpring and Tarrant County Hospital District d/b/a JPS Health Network to the Committee. Approval of this agreement allows in-network care to Cigna-HealthSpring insureds and additional revenue for the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Letter of Agreement (UHRIP) between Cigna HealthSpring and Tarrant County Hospital District d/b/a JPS Health Network. D.T. Nguyen made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

C. Consider Approval of Letter of Agreement (UHRIP) between Cook Children's Health Plan and Tarrant County Hospital District d/b/a JPS Health Network.

Ms. Clark presented Approval of Letter of Agreement (UHRIP) between Cook Children's Health Plan and Tarrant County Hospital District d/b/a JPS Health Network to the Committee. Approval of this agreement allows in-network care to Cook Children's Health Plan insureds and additional revenue for the District.

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

D. Consider Approval of Master Agreement between Stryker Sales Corporation NO. 2110084495 and Tarrant County Hospital District d/b/a JPS Health Network.

Wanda Peebles presented Approval of Master Agreement between Stryker Sales Corporation NO. 2110084495 and Tarrant County Hospital d/b/a JPS Health Network to the Committee. Approval of this agreement will allow an upgrade and standardization for bed and stretchers including mattresses throughout the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Master Agreement between Stryker Sales Corporation NO. 2110084495 and Tarrant County Hospital d/b/a JPS Health Network. Ms. DeBose made a motion for approval; motion was seconded by Mr. Zimmerman as presented and carried unanimously.

E. Consider Approval of First Amendment to Master Service Terms Agreement (ProCare) between Stryker Sales Corporation and Tarrant County Hospital District d/b/a/ JPS Health Network

Ms. Peebles presented Approval of First Amendment to Master Service Terms Agreement (ProCare) between Stryker Sales Corporation and Tarrant County Hospital District d/b/a JPS Health Network to the Committee. Approval of this agreement will cover the maintenance of the new beds and stretchers throughout the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the First Amendment to Master Service Terms Agreement (ProCare) 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 Dr. Schrader as presented and carried unanimously.

F. Consider Approval of Outside Medical Services Agreement between SRP Behavioral Hospital of Fort Worth and Tarrant County Hospital District d/b/a JPS Health Network

Zelia Baugh presented Approval of Outside Medical Services Agreement between SRP Behavioral Hospital of Fort Worth and Tarrant County Hospital District d/b/a JPS Health Network to the Committee. Approval of this agreement will assist with reducing holding hours and assist with patient volumes in the PEC for the behavioral health patients of the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Outside Medical Services Agreement between SRP Behavioral Hospital of Fort Worth and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Nguyen made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

G. Consider Approval of Non-Community Services Professional Services Agreement between MHMR of Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Baugh presented Approval of Non-Community Services Professional Services Agreement between MHMR of Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network to the Committee. Approval of this agreement will assist JPS and MHMR of Tarrant County to identify and coordinate Assisted Outpatient Treatment patients to meet the mental health needs of the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Non-Community Services Professional Services Agreement between MHMR of Tarrant County 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 FY2020 Contract for Funding of Specified County Programs (Interlocal Agreement) between Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network.

Mr. Montgomery announced the FY2020 Contract for Funding of Specified County Programs (Interlocal Agreement) between Tarrant County and Tarrant County Hospital District d/b/a JPS Health Network was removed from the agenda.

I. Consider Approval of FY2020 Contract for Countywide MHMR Services between Tarrant County, MHMR of Tarrant County, and Tarrant County Hospital District d/b/a JPS Health Network.

Ms. Baugh presented the Approval of FY2020 Contract for Countywide MHMR Services between Tarrant County, MHMR of Tarrant County, and Tarrant County Hospital District d/b/a JPS Health Network to the Committee. Approval of this agreement will provide after care services for Countywide MHMR Services.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the FY2020 Contract for Countywide MHMR Services between Tarrant County, MHMR of Tarrant County, and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Zimmerman made a motion for approval; the motion was seconded by Ms. DeBose as presented and carried unanimously.

- J. Pursuant to JPS Purchasing Procedure LDF 7201 Section VIII, A.7., 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 the Estimate for Implementation of Services and Training (Beaker Implementation) between Epic Systems Corporation and Tarrant County Hospital District d/b/a JPS Health Network.

Kenny Carr presented Pursuant to JPS Purchasing Procedure LDF 7201 Section VIII, A.7., 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 the Estimate for Implementation of Services and Training (Beaker Implementation) between Epic Systems Corporation and Tarrant County Hospital District d/b/a JPS Health Network to the Committee. Approval of this agreement will provide a fully integrated lab information system within the electronic medical record system 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 LDF 7201 Section VIII, A.7., 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 the Estimate for Implementation of Services and Training (Beaker Implementation) between Epic Systems Corporation and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Nguyen made a motion for approval; the motion was seconded by Dr. Schrader 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 41 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:

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. CONVENE AS THE BOARD OF MANAGERS FOR THE FOLLOWING:

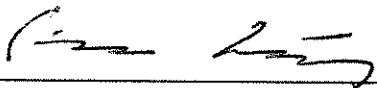
A. Consider Approval of Quotations and Addendum to Siemens Contract between Siemens Medical Solutions USA, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Kenny Carr presented Approval of Quotations and Addendum to Siemens Contract between Siemens Medical Solutions USA, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for their consideration. Approval of this agreement will provide consistent patient care for patients of the District.


There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Quotations and Addendum to Siemens Contract between Siemens Medical Solutions USA, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Ms. DeBose made a motion for approval; the motion was seconded by Mr. Nguyen as presented and carried unanimously.

X. **ADJOURN**

There being no further business of the TCHD Joint Board of Managers and Finance Committee meeting was adjourned at 11:00 a.m.



Steve Montgomery, Finance Committee Chairman



Date