

**NORTH BROWARD HOSPITAL DISTRICT
BOARD OF COMMISSIONERS'
REGULAR MEETING
Wednesday, June 25, 2014
Broward Health North
Conference Center**

MINUTES

The Regular meeting of the Board of Commissioners of the North Broward Hospital District was held on Wednesday, June 25, 2014, at 4:00 p.m. in the in the Conference Center at Broward Health North, 201 East Sample Road, Deerfield Beach, Florida.

Notice of this meeting is attached to the official Minutes as EXHIBIT I. The official Agenda for this meeting, as presented for the consideration of the Board, is attached to the official Minutes as EXHIBIT II. Original registration sheets listing attendees, as well as those who wished to address the Board, are attached to the official Minutes on file in the Board of Commissioners' office.

Chair Di Pietro called the meeting to order at 4:00 p.m.

ROLL CALL

Commissioners:

Present: Commissioner David Di Pietro – Chair
 Commissioner Joel Gustafson – Vice Chair
 Commissioner Debbie Kohl- Treasurer/Secretary
 Commissioner David Nieland- Board Member
 Commissioner Rocky Rodriguez - Board Member
 Commissioner Darryl Wright – Board Member

The invocation was given by Victoria Israels, Marketing & Communication Specialist BHN, followed by the Pledge of Allegiance led by Pauline Grant, CEO Broward Health North.

EMPLOYEE GIVING CHECK PRESENTATION

Dan Lowther, Regional Manager of Radiology, Respiratory Therapy and Cardiac Services at Broward Health North commented that it was a privilege to be here today representing Broward Health employees who, in just five years, have donated more than one million dollars to the employee giving campaign.

Mr. Lowther said that thousands of employees have contributed to making the hospitals where they work a better place for the patients and families that they serve. Money raised has benefited a number of projects across the BH healthcare system, including a new family waiting room at Chris Evert Children's Hospital, upgrades to the infusion centers at Broward Health North and Broward Health Imperial Point, new directional kiosks at Broward Health Medical Center, refurbishment of hospice rooms at Broward Health Coral Springs and the purchase of medical

supplies for patients at Children's Diagnostic and Treatment Center. In fact, he said that the very conference center that they were meeting in today was renovated using employee donations.

It's a pleasure for me and the other employees here today, to present this check for one million dollars to the Mr. Robert Birdsong, Chairman of the Broward Health Foundation on behalf of all Broward Health employees.

Mr. Birdsong thanked all of the employees at Broward Health for their generous donations.

At this time, Commission Darryl Wright made a motion to change the agenda. Commissioner Wright moved that Item 13 (Employed Physician Contracts) be addressed at this time. However, Mr. D J Doody, Acting General Counsel recommended that Item 13 be moved up on the agenda to follow Comments from the Audience; thereby, giving any member in the audience an chance to address this item or any other item that is on the agenda.

Mr. Doody stated that Item 13 would then become Item 1 A. Commissioner Nieland seconded the motion. Motion carried unanimously.

COMMENTS FROM AUDIENCE: Due to the number of people addressing the Board, Commissioner Di Pietro asked if they could adhere to the 3-minute time limit. He said that it would be very much appreciated.

John de Groot, taxpayer and resident of Broward County addressed his concerns regarding Item 1A (Employed Physician Contracts) specifically the reduction in Dr. Chizner's contract. He provided a handout relating to the salaries of cardiologists and invasive cardiologists. According to the national healthcare publication and while BH is cutting Dr. Chizner's salary significantly, Mr. de Groot said that Dr. Chizner is still making 50% more than the average compensation for a cardiologist in the U.S. Mr. de Groot then went on to discuss how Dr. Chizner got his original contract and the Board members and community residents who spoke in favor of that contract. Mr. deGroot said that Dr. Chizner's contract when approved caused a lot of hard feelings among other employed physicians.

Alicia Cuervo, Regional Director of Construction for OHL Arellano, spoke to Item 11 –Chris Evert Children's Hospital Phase 2. She said that they were very proud to have participated in this process and to have ranked second among the three top firms that were qualified to build this \$30+ million project. She said that they have nothing negative to say about their competitors. They commended the BH Selection Committee and facility department and said that Richard Polemeni did an outstanding job in running this process and in being transparent. However, she questioned if BH wanted to award their three largest projects in recent times to the same firm and did BH want to provide equitable distribution of work in the community. She stated that as the second ranked firm they were asking that BH look at diversity and using other general contractors and construction managers which will allow BH to broaden their subcontractor base as well as ensuring a distribution of local community business opportunities. She then provided a detailed summary of OHL Arellano's projects over the past 5 years.

Chair Di Pietro said that he knew of their company but asked if they were objecting in any way about the process.

Mr. Art Hoynack, VP of Construction Services for OHL Arellano spoke and voiced his objection is to the process. He said that with a system such as Broward Health (BH) equitable distribution should come into play. Mr. Hoynack said that all three of the firms that made it to the last round are extremely qualified to do this project. OHL Arellano was questioning in this case where is the equitable distribution in the community?

Mr. D. J. Doody asked Chair Di Pietro if he could address the speaker. Chair Di Pietro replied in the affirmative. Mr. Doody said that in speaking with OHL Arellano last week, they will not be filing a bid protest. Mr. Hoynack replied that was correct and stated OHL Arellano was not filing a bid protest. Mr. Doody said that he wanted to make it clear that this is not a bid protest but an articulation of what OHL Arellano believes that BH should have a more equitable distribution for this project. Mr. Hoynack said that OHL Arellano would like for BH to consider them for CECH Phase 2 award considering that they were ranked second and are a qualified construction manager in the community that is more than qualified to do this job considering that the same firm has been awarded two of BH's major projects.

Chair Di Pietro said that in looking over the paperwork it was not possible for the Board to make a decision at this time. However, Mr. Polemeni will be presenting this item and at that time the Board will be able to ask some questions of Mr. Polemeni. Chair Di Pietro stated that he would also let OHL Arellano respond to Mr. Polemeni's comments.

Commissioner Nieland asked if they have ever gotten an award from Broward Health (BH). Mr. Hoynack said that they had not.

Vincente Thrower community resident addressed Items 11 and 12---Mr. Thrower said that he felt that the Board should table these items to show the community that there is not a monopoly.

Dr. William Burke, orthopedic surgeon employed by Broward Health thanked the Board for allowing him to share some of his concerns regarding Item 1A. Dr. Burke said that today was an important day in directing the future of Broward Health and the decision that it is going to make in terms of the quality of care that they will be able to administer to the patients in the community. Dr. Burke then provided some background of his employment with BH.

Dr. Burke said that Administration is asking the Board to approve policies relating to employed physician compensation by setting a maximum compensation at the 50th percentile of fair market value (FMV) and for relative value unit (RVU). He said that it was important for the Board to understand that 50th percentile is the median which means that 50% of physicians can be fairly paid above that rate and still well within the FMV and commercially reasonable. Dr. Burke said it was important to consider that in the future payers are going to be looking at quality metrics and determining the compensation to the hospital and the hospital system reimbursement. He said it is important to have quality physicians in order to obtain those metrics.

Dr. Burke spoke of another concern that of putting a cap on maximum compensation. Dr. Burke stated that this is not appropriate and to place a cap on productivity does not make sense. It is an idea of penalizing productive surgeons and even though there is idea of setting the threshold at 90th percentile there are many physicians who work at far above the 100th percentile of their specialty and to not compensate them for that is unfair. He said when this was addressed at the Legal Affairs committee, Mr. Nask injected and commented that many of the physicians have extenders so BH would take their physician extenders and that would automatically lower their

productivity. Dr. Burke commented that he hoped that is not want BH wants from quality physicians—to encourage them not to be productive.

Dr. Burke said he had concerns over the FMV analysis as they were done. In view of the fact that no new market surveys have come out since the contract that he signed in December, Dr. Burke said that based on no new information the contract rate went down about 25%. and the medical directorship has been removed. Dr. Burke said that they have worked very hard at BH to build a joint replacement program that has disease specific certification accredited by the Joint Commission and one of the requirements to maintain that accreditation is to have a medical director. Dr. Burke asked that these items be tabled or denied for the reasons he has mentioned. Dr. Burke said that his new contract is not appropriate

Dr. Burke said that he would work with administration to come to a resolution but he wanted to clear up one thing that was stated at the Legal Affairs committee meeting and that is that he had been presented several contracts over the years and that he refused to sign them---that is untrue. Dr. Burke said that in the past 9 years he was presented with two contracts—one that he signed 9 years ago and another in December that he signed which was discarded by Administration for reasons that were never made clear to him.

Dr. Dominic Carriera orthopedic surgeon identified his subspecialties as young adult hip, foot and ankle) informed the Board that seven years ago he decided to start his practice at BH primarily because of the program that was in place. He was looking for the place in Broward County that had the greatest potential for his practice. Subspecialty care allows for the best care of orthopedic patients today. Dr. Carriera said that he believes as an orthopedic group, they provide the best care in Broward County but he is afraid that it won't last. Under the threat of termination, he agreed to a contract in December that was withdrawn by the District without explanation. The current contract that is being proposed was first presented to him on Thursday after it had had been presented to Legal Affairs-- again, not in good faith.

Dr. Carriera feels that his contract states that 60% WRVU is less than the 50th percentile national market for orthopedic and sports medicine. He then referred to Section 3.2 and 5.7.3. He asked that the Board not perpetuate the same lack of support which is being proposed in their contracts. With regard to Section 5.7.3, relating to the OIG, it clearly needs to be removed.

Dr. John McAuliffe orthopedic hand surgeon spoke and informed the Board that the major issues he has with the contract are the determination of the dollar amount for their compensation per RVU and the ultimate cap. He mentioned he received a contract with a cover letter indicating that he would be terminated within five days if he did not sign. He did not find out until last week that a new version of the contract was being presented. Dr. McAuliffe feels that physicians and Administration are not on the same side and it's not appropriate. Dr. McAuliffe feels the process was incredibly flawed.

Dr. David Perloff a cardiologist at BH spoke and that he has been in private practice for about 25 years and then 2½ years ago he was asked by Mr. Nask and Mr. Brian Ulery who was in Ms. Hunter's position, to consider employment with the District so he has been employed physician for 2½ years. Dr. Perloff stated that he does respect the current position that the Administration finds itself in; however, he would humbly like to suggest that there may be a better way to handle this. Even though he is an employee, he views his relationship with BH as a partnership. Dr. Perloff said that until a few days ago he was on a family vacation for two weeks so he was not even given a copy of the contract that is now before the Board for approval. What he is being

offered is actually the 30th percentile based on MGA numbers and not the 50th percentile. Dr. Perloff is asking for the opportunity to discuss these things and negotiate in good faith.

Chair Di Pietro said that based on the motion, Item 13 will now become Item 1A.

1A--Authorize the President/CEO to execute the standard employment agreement with the following physicians outlined in the exhibit.

Mr. Nask said that it is fair to say that historically BH has had difficulty in negotiating contracts on an individual bases and BH has strategically made an initiative to recruit.

Commissioner Wright asked Mr. Nask for an example. Mr. Nask said as it relates to the orthopedic contracts, BH has been negotiating those contracts for four to five years, with multiple attorneys and dueling RVU programs. At one point, the orthopedic physicians went and got their own RVU Company from California that suggested that their RVU rate should be \$169. Attorneys kept coming up with different opinions about whether the RVU process or the FMV process made any sense. Mr. Nask stated that this has been a complicated process for a number of years.

Mr. Nask further stated that BH is going to recruit physicians and over the last couple of years it has recruited almost 60 or 70 physicians. The Board has adopted a policy that puts these contracts on a standard platform of zero and not to exceed the 90th percentile of total compensation. During the Legal Affairs committee meeting Administration presented a template of these contracts that put the base pay at the 50th percentile median and a 90th percentile cap on total compensation. Mr. Nask said that BH finds itself in a situation where it is necessary to do this in order to manage 70 practices or else, it will find itself having to negotiate individually with 70 different physician contracts and that does not work.

Mr. Nask said that the Commissioners voted on the template last week and if there are some housekeeping issues of titles or adding a medical directorship as it relates to the total compensation and not exceeding that total compensation those adjustments can be made as BH moves along in this process. Mr. Nask said that over the next couple of years there will be amendments that will be required to the contracts but that doesn't mean that they would have to come back to the Board for approval since they will be within the guidelines of what the Board has set as total compensation.

Chair Di Pietro asked if there are amendments and changes excluding compensation that would need to be brought back to the Board according to the bylaws. Mr. D. J. Doody said it would depend on the subject matter of the amendment. Chair Di Pietro asked if a medical directorship would need to come back to the Board if the total compensation did not change. Mr. Doody said that would be something that the Board can decide going forward at this point.

Mr. Nask stated that the template being put forth is an effort to manage its 70 physician contracts. There are some physicians who have already signed a 2 year contract with a 25th percentile. BH has lowered the compensation in contracts over the last year with no discussion and those physicians realize that BH needs to standardize its contracts. Mr. Nask commented that these physician contracts being presented today are the end of a process of contract renewals that standardizes the process and puts some predictability into the compensation all of which has been documented by BH's FMV companies and attorneys.

Chair Di Pietro asked of the 15 contracts put before the Board today, how many have agreed to the contract.

Laura Hunter, VP Physician Practices addressed the Board and stated that she has five (5) signed Letters of Intent. Chair Di Pietro commented that a Letter of Intent is not binding. Mr. Nask said that the physicians didn't sign the contracts because they have not been approved by the Board. Chair Di Pietro asked for the names of the contracts that are not being contested. Mr. Hunter replied that BH has signed Letters of Intent from Drs. Maini, Berman, Roskos, Cambara, and Rodriguez-Cortez. Chair Di Pietro asked how many other physicians have indicated that they have no objection to the contract and will likely accept it. Mr. Hunter said that she spoke with Dr. Landau and overall they are in basic agreement on the compensation as discussed. However, Ms. Hunter informed the Commissioners that for the record there is an existing General Administrative Board policy requiring Board approval for RVU rates over the 50th percentile and total cash compensation over the 75th percentile and any cap at the 90th percentile. She said it is very difficult to give a physician a contract for them to review and accept when the Board has not approved the terms.

Chair Di Pietro asked if the following physicians have made no indication that they agree to the contract: Drs. Chizner, McCormack, Sharma, Perloff, Yoldas, Caldwell, Kanel, Burke, Carriera and McAuliffe. Ms. Hunter replied correct.

Chair Di Pietro asked how long would it take for Administration to negotiate those physician contracts given that the Board gave a directive where certain parameters were laid out i.e. having certain compliance measures met, certain compensation metrics met and were compliant and followed all OIG Stark laws and Anti-Kickback measures to make sure that BH is fully compliant and to sit down with those physicians and either tell them that they need to accept the contract or they will unfortunately have to depart. Chair Di Pietro said that he agrees with the concept of where BH is going but the harmony in the system is really coming before the Board in an unprecedented fashion.

Ms. Hunter said it is unprecedented and may seem out of process but actually the Administration is following the process and they are asking the Board to make a decision on contracts that require a leadership and governance decision as per Board policy. Chair Di Pietro acknowledged that the Board wanted the Administration to be proactive and compliant and very aggressive; however, that is not what he was speaking to. Chair Di Pietro said he is looking at harmony amongst BH's physicians and Administration and the Board to make sure that the patient care is not obstructed in any way and things can flow legally and in harmony.

Ms. Hunter referred to a point that Dr. Burke made—BH is not coming to physicians in an adversarial stance but is coming with a contract that is below their expectations. Administration was coming to the Board as the leadership of this organization that has set standards and standardization in order to stabilize this division to fall into the regulatory requirements and FMV status. Ms. Hunter said if the Chair was asking her how long it would take to negotiate a contract with them that they did not agree with--it would be an easy process.

Chair Di Pietro said that he did not want the Board approving a contract and having it come back because they have to approve it again. Ms. Hunter said Administration is asking the Board not to come back and is saying to the Board that for this organization this is the highest compensation that BH can provide at this time. Ms. Hunter informed the Board that she has met with the physicians individually and reviewed with them why BH is where it is today. BH is in a position

where it needs to make compensation reductions because escalating contracts that have been long standing have put BH in a situation that may push it out of fair market value at this time.

Chair Di Pietro said he does not disagree with any of the measures that are being taken by Administration but disagrees with the process in which it is being laid out. Chair Di Pietro said he is getting a lot of feedback and he is not qualified to say who needs a medical directorship. Ms. Hunter stated that it is political influence on individual physician contracts that points out vulnerability in a process when the real issue is that the physician does not like the compensation that BH feels it can provide as a public safety net organization.

Chair Di Pietro said that Administration has a strong Board who has voted against the orthopedic contracts already and who will support Administration. His only concern is whether the Board should get involved in doing this in this disjointed fashion.

Ms. Hunter commented that this is not about approaching the Board to negotiate a contract it is about BH drawing a line as per Board policy on the compensation. Administration believes as a public safety net organization that treats hundreds of thousands of patients a year and for it to continue to sustain itself, this is the compensation that BH is willing to offer and unless there is an offer for less, there is no negotiation.

Mr. Nask said that in front of the Board today is a template that they approved at the Legal Affairs committee that is consistent with Board policy and gives physicians a generous cap at the 90th percentile. Mr. Nask said that if it reaches the point where they reach the cap maybe BH needs more physicians to accommodate a bigger practice. But right now, BH needs to say here is the contract and here is the compensation. Mr. Nask stated that the Chair and Commissioner Gustafson know how difficult it has been trying to negotiate with the orthopedic physicians.

Commissioner Rodriguez asked how long it would take for Administration to have the physicians review their contract and have them come back to Administration to let Administration know if they will accept or not accept the contract.

Ms. Hunter said that since Administration did not give the contracts to the physicians prior to this meeting since the contract had not yet be approved, Administration does want the physician to have a long enough time for the physician to be able to review the contract with their attorney so Administration is looking at 30 to 60 days to have an answer back to BH. For those physicians who choose to move on, Ms. Hunter said that Administration will honor the termination clause in the contract and understands that unraveling a practice from this organization will take time.

Ms. Hunter stated that BH has done its due diligence for over a year in order to make sure that it is fair across the specialty area and is within FMV standards so that it does not exceed those standards. The template has been reviewed with attorneys, Arent Fox and with BH's FMV company and Administration is comfortable with this presentation for the Board's approval today.

Commissioner Rodriguez said that BH is a publicly funded institution and the Board has a fiduciary duty to the taxpayers and the institution. **Commissioner Rodriguez moved to support the template and the compensation.**

Chair Di Pietro said that it might take more than one motion and as he has done in the past, he will be recusing himself from voting on contracts for Drs. Caldwell and Yoldas. Chair Di Pietro

recommended that they vote on Drs. Roskos, Rodriguez-Cortez, Cambara, Berman, and Maini as he would like to be able to vote yes to those contracts. He then deferred to the Board to see if any other Commissioners wanted to speak ask any more questions of Ms. Hunter and Dr. Burke who wishes to readdress the Board.

Ms. Hunter said that the physicians that Chair Di Pietro said he wanted to vote on have had significant reductions and have accepted those terms. Ms. Hunter said this is about quality and a stance that administration is taking to reduce compensation. Approving their contracts is the appropriate thing to do and she believes in approving the compensation across the board is the right thing to do; otherwise, BH has not standardized compensation nor followed the Board policy.

Commissioner Wright asked Ms. Hunter if she was implying that the Board would be doing something illegal by just voting on those five. Mr. Nask said that was not implied. He said that the other physicians have accepted the terms that were voted on last week. Ms. Hunter said that those physicians understand that BH needs to bring compensation within fair market value, In this regulatory environment those long standing contracts that have had escalators from 3 to 10% per year are now outdated.

Commissioner Rodriguez moved that the template and package that was approved at last week's legal affairs committee meeting receive final approval today.

Chair Di Pietro asked General Counsel if Commissioner Rodriguez's motion required two motions or just one. Mr. Doody said the maker of the motion would determine the action taken by this Board.

Chair Di Pietro said with all due respect, he asked that Commissioner Rodriguez change his motion to exclude Drs. Caldwell and Yoldas so that he could recuse himself.

Commissioner Rodriguez changed his motion to exclude Drs. Caldwell and Yoldas

Chair Di Pietro restated that the motion on the floor: **Commissioner Rodriguez moved to approve the employed physician template as presented and approve the 13 physician contracts including: Drs. Chizner, McCormack, Sharma, Landau, Perloff, Kanell, Burke, Carriera, McAuliffe, Roskos, Rodriguez-Cortez, Cambara, Berman and Maini. Seconded by Commissioner Kohl.**

Discussion: With all due respect to Dr. Burke, Ms. Hunter said that this is not a public debate or a public negotiation; it is Administration making a recommendation as to Board policy.

At this time, the Chair allowed Dr. Burke to readdress the Board.

Dr. Burke said he wanted to clarify an important point for the record. Mr. Nask stated that the orthopedic negotiations have been going on for many years and there has been a great deal of back and forth with attorneys and dueling FMVs analysis. Dr. Burke said that might be true for some physicians but all orthopedic surgeons should not be lumped together. There was no back and forth with Drs. Carriera, McAuliffe and himself. They were provided a contract in December and after getting some language clarification which took about a week they signed their contracts. Based on no new information, a new analysis was done with a significant reduction. Dr Burke questioned what happened to the FMV analysis in December that BH spent

a great deal of time and effort to making sure that it was compliant. Those contracts were never discarded by the Board but tabled and never presented. With the new FMV, what was it based on, where did it come from and how did it change. Dr. Burke said it is a question that should be answered.

Ms. Hunter said that BH is an organization that has an infrastructure built on policy and process. As part of the policy that was adopted by the Board last year, BH is required to have a nationally renowned firm that takes three FMV studies. BH took those FMV studies across specialty areas for each individual physician and took into account years in service either for a new physician or someone who has been practicing for a long time. Taking the conservative end of the range and re-evaluated where BH was six months ago, it looked at productivity and FMV WRVU rates so that BH's total cash compensation could fit within means that are acceptable in a regulatory environment. Ms. Hunter said that BH has done their due diligence and followed process and policy. She is aware that certain people are not happy with the outcome and would like for BH to push beyond those thresholds. Those internal thresholds were set intentionally to safeguard the organization so it can do business in a compliant way and have a long standing growth in this community at rates that are reasonable.

Mr. Nask said that this is senior management's recommendation and it may not be a popular one but it is Administration's best recommendation.

Commissioner Gustafson expressed concern over directorships. He asked if there was a way to include a directorship without adding more compensation. Commissioner Gustafson also commented that Dr. Chizner has had some issues raised by his representative and can BH revisit his contract relating to some language issues. He asked if those contracts be revisited

Maria Courier, partner with Holland and Knight, said that they were engaged about two months ago to assist BH with compliance from the Stark and Kickback perspective. She said that it is their recommendation that if there are changes needed to be made to become compliant with a Joint Commission requirement or something similar that does not impact the maximum cap that are stated in the packages as the amount of compensation that is the limit for those particular physicians, they would not see any issue why that could not be included through an amendment or some other similar form, She also stated that it would not need to come back to the Board from their perspective.

Mr. Nask asked Ms. Courier to discuss the significance of setting compensation starting at the median.

Ms. Courier stated that the median is where everyone starts at best practices. Holland & Knight represents probably more that 600-700 hospitals throughout the county and as a best practice that is always where they start from a compliance perspective. She said it is needed because there are some physicians who are extremely productive and you need to make sure that is accounted for in the way that you rate their productivity. Ms. Courier said that is the best practice and they recommend that to all of their clients.

Commissioner Nieland said that it appears that Arent Fox approved the FMV on the old contracts. Ms. Hunter said that Arent Fox evaluated the old contracts and the FMVs were done through an external company. Commissioner Nieland said he did not disagree with the template but there are some contracts where physicians have signed Letters of Intent and are going to be accepted; however, they currently have active contracts that are not yet expired. Ms. Hunter said

that they are on auto-renewal and that is one of the things that had been changed within the division. Ms. Hunter explained that they have eliminated auto renewal, eliminated CPI increases, capped all compensation and this is industry standard.

Ms. Hunter explained that Arent Fox did FMV assessments on these contracts and within the FMV assessment they made recommendations on what BH needed to change and BH has taken those recommendations into account and those are within BH's structure. Commissioner Nieland said that he did not disagree with Ms. Hunter and understands that the market has changed, however, the Board's job is to look out for the community and he believes that they are doing that with these contracts. However, Commissioner Nieland pointed out that some of the contracts have not expired and are not due to auto renew for seven (7) months. Ms. Hunter said that BH has been in the process of doing FMV assessments so that they can be renewed and the physicians who have an auto renew clause have known this. Commissioner Nieland thought it was premature to move on those contracts that have not expired at this time.

Ms. Hunter again reiterated that the contract term expired and BH allowed them to auto renew but the terms of the contract have ended and they have a 90 day out clause. She informed the Board that BH will allow that time for the termination of the current agreement and have a contract in place within that time period preferable within 30 days.

Commissioner Nieland questioned what Administration's stance was if the contract goes forward and the physician says that they still have a contract that is good and it has been auto renewed until May of 2015. Ms. Hunter stated that they plan on executing the termination clause within the contract in order for BH to get a more compliant contract in place.

Commissioner Nieland stated that he did not feel comfortable that the Board has been put on the spot now to deal with these contracts when Administration has had several years to do something. Commissioner Nieland said that the Board will deal with these contracts but going forward, he suggested that the physicians on auto renewal should be tabled and sent back to committee for review. Commissioner Nieland said that the dynamics are going to change in the next six months for these contracts that are auto renew until January 2015; however, for the contracts that have expired—it is a compliance issue something that needs to be corrected immediately.

Ms. Hunter said that the Pediatric Oncologist's term has ended. It had the option to rollover and it is important that BH changes those contracts.

Chair Di Pietro suggested that based on the conversation he asked that Commissioner Rodriguez's motion be amended and broken up into four (4) different motions:

- 1) To approve the standard contract
- 2) To approve the compensation and agreement with Drs. Roskos, Berman, Rodriguez-Cortez, Cambara and Maini
- 3) To approve the contract of Drs. Chizner, McCormack, Landau, Sharma, Perloff, Yoldas, Kanell, Burke, Caldwell, Carriera, McAuliffe that it would be time certain and brought back to the Board within 30 days with either negotiated contracts or an update as to where BH stands with that physician going forward.
- 4) Out of deference to the Chair, approve Yoldas and Caldwell separately so that he can make the appropriate recusal and file the appropriate form.

Chair Di Pietro said that Number 3 would be time certain and brought back to the Board within 30 days with either negotiated contracts or an update as to where BH stands with those physicians going forward.

Ms. Hunter asked what the Chair would recommend if those physicians do not accept the 90th percentile cap. Chair Di Pietro said that policy has been set and the physician must accept the cap. Ms. Hunter asked if the Chair wants Administration to come back to the Board with a contract that has been accepted or to bring back those that have not been accepted and those that do not choose to accept the contract. Chair Di Pietro said absolutely. He feels that the role of the Board is to approve and provide oversight and the role of Administration is to negotiate and facilitate agreements with physicians.

Ms. Hunter asked the Board for a recommendation as to how long Administration has to transition physicians out of BH's employment. Chair Di Pietro said he would leave that up to the administration. He stated that credentialing usually takes a physician 90 to 180 days; however, BH needs to be compliant even if the Board decides that the physician needs to leave. Ms. Hunter expressed her concern over the contracts that were not compliant. Chair Di Pietro suggested calling a board meeting in 14 days to deal with this issue; however, Administration needs to work very hard to make sure that these agreements are hammered out.

Commissioner Nieland commented again that with regard to compliance, originally those contracts were compliant; however, the market has changed. Ms. Hunter said that was correct.

Mr. Martin expressed concern over the Board only approving those five physicians' contracts (Roskos, Rodriguez-Cortez, Maini, Berman and Cambara). He said that those physicians accepted the new contracts with the understanding that the Board was going to approve all of the contracts.

Chair Di Pietro said that Commissioner Rodriguez's motion would have to be amended or withdraw. He commented that some of the Board members have expressed concern that certain issues have not been addressed. They are not disagreeing that the contract is going to eventually be passed but he was trying to make sure that it is done and no one can cry foul and no one can say that no met with them from administration about the contract.

Ms. Hunter asked that the Board approve the contract template and the structure of the compensation set at the 50th percentile with a compensation cap not to exceed the 90th percentile. She said there is a three year term with an opportunity to renew upon written consent as long as BH follows the guidelines set forth which is to do a FMV assessment as well as a number of other things as listed in the contracts. If a medical directorship is required by Joint Commission, administration can work to implement that but it would not change the cap. If there are things that do not pertain to a certain specialty area, Ms. Hunter said that is administrative and she would be happy to work on that as she has done with seventy other contracts. Ms. Hunter said that she cannot move forward with this compensation level without Board approval.

Mr. Nask asked that the Board accept Commissioner Rodriguez's motion to approve what was approved at the Legal Affairs Committee.

Chair Di Pietro stated that approving Commissioner Rodriguez' motion as it stands would force him to vote no on all of the contracts and that is not what he wants to do. He explained that is why he wants to break up the motion to make sure that the intent of the Board is directed so that

everyone knows where everyone stood. Chair Di Pietro said he does not have a problem with the compensation decreases—only with the process.

Ms. Hunter stated that she has spent many hours speaking to the physicians about these contracts.

Commissioner Wright read from a prepared statement. He stated he was uncomfortable with supporting the contracts and disagrees with the method of the negotiation process; however, he indicated he was prepared to move forward in taking the correct actions. A full copy of Commissioner Wright's prepared statement is attached to the minutes as Exhibit B.

Chair Di Pietro said that there is a motion on the floor that needs to be voted on or Commissioner Rodriguez can amend his motion or withdraw the motion procedurally.

Commissioner Rodriguez said the best way is to move forward and approve what was voted on last week which was voting on the template and compensation package and have administration deal with each individual contract.

Chair Di Pietro said that the motion on the floor is to approve all of the employed physician contracts and the template except for Drs. Caldwell and Yoldas. Chair said that is the motion on the floor.

Mr. Doody said that Commissioner Rodriguez could amend or withdraw his motion.

Commissioner Rodriguez said his motion is very simple-- to approve what was approved last week. Commissioner Rodriguez stands by his original motion.

Chair Di Pietro said that there is a motion and a second, are they any amendments. Commissioner Nieland and Commissioner Wright asked for clarification regarding amendments to the motion. Chair Di Pietro stated then explained in detail Robert's Rules relating to amendments to a motion.

Chair Di Pietro suggested breaking the motion into four separate categories:

1. Approval of the template contract as stated
2. Approval of Drs. Roskos, Berman, Rodriguez-Cortez, Cambara, Berman and Maini contracts
3. Approval of Drs. Chizner, McCormack, Landau, Sharma, Perloff, Yoldas, Kanell, Caldwell, Burke, McAuliffe and Carriera.
4. Approval for Drs. Yoldas and Caldwell

Mr. Doody stated that for legal clarification, the Chair is suggesting that a motion be made to amend the motion on the floor to approve the template as presented in its present form but not involving the compensation. The Board would then come back and address the compensation through the additional motions where the Board votes on certain contracts as identified. The last would be to vote on the two contracts where the Chair has a conflict. Mr. Doody said that the Board would not be applying the template to the physicians before the Board but they would address the contracts separately.

Chair Di Pietro said the Board would approve the template as accepted by the Board. Mr. Doody said that is the template going forward and then the Board would want to entertain the application of that template to the individuals through separate motion. Chair Di Pietro raised

the issue that these other physicians named in Suggestion No. 2 accepted their contracts predicated on everyone accepting the contract. Ms. Hunter said that those physicians' Roskos et al were presuming that the Board would approve everything.

Commissioner Nieland moved to amend the motion on the floor to breakdown the request into the four categories as suggested by the Chair-- motion to amend seconded by Commissioner Wright. There being no discussion, the Chair asked for a roll call:

Commissioner Di Pietro	Yes
Commissioner Gustafson	Yes
Commissioner Kohl	No
Commissioner Nieland	Yes
Commissioner Rodriguez	No
Commissioner Wright	Yes

Motion carried 4 -2

Chair Di Pietro entertained a motion to approve the employed physician standard template contract as presented by Administration--moved by Commissioner Kohl, seconded by Commissioner Rodriguez. There being no discussion, the Chair called for a roll call:

Commissioner Di Pietro	Yes
Commissioner Gustafson	Yes
Commissioner Kohl	Yes
Commissioner Nieland	Yes
Commissioner Rodriguez	Yes
Commissioner Wright	Yes

Motion carried unanimously.

Chair Di Pietro entertained a motion to approve Drs. Roskos, Rodriguez-Cortez, Cambara, Berman and Maini their Letter of Intent and contract as presented by Administration--moved by Commissioner Nieland

Commissioner Gustafson asked if that is a different motion as it relates to the other contracts. He said the consequence to this is that the Board approved what administration has asked for the Board to do for all of the contracts. Chair Di Pietro informed Commissioner Gustafson that following this motion the Board would take up the other contracts. Chair Di Pietro stated Administration has done an excellent job in working with the physicians and getting them to agree to an acceptable contract that is compliant and follows all federal and state laws and it should be accepted by this Board.

Mr. Doody asked that the Board take up the motion on the floor.

Chair Di Pietro said the motion on the floor is to approve Drs. Roskos, Rodriguez-Cortez, Cambara, Berman, and Maini as stated and provided by administration through the compensation summary as well as the contract provided--moved by Commissioner Nieland, seconded by Commissioner Kohl. There being no further discussion, the Chair asked for a roll call:

Commissioner Di Pietro	Yes
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Commissioner Gustafson	Yes
Commissioner Kohl	Yes
Commissioner Nieland	Yes
Commissioner Rodriguez	Yes
Commissioner Wright	Yes

Motion carried unanimously.

Chair Di Pietro entertained a motion to approve Drs. Chizner, McCormack, Landau, Sharma, Perloff, Yoldas, Caldwell, Kanell, Burke, Carriera and McAuliffe as the summary compensation is provided as well as the contracts that were provided by Administration.

Commissioner Gustafson asked for clarification. Chair Di Pietro clarified that the Board agrees with the compensation structure but the issue is that these physicians have not agreed to the contract so does the Board want to approve these contracts without physician approval or does the Board want to direct Administration to go back at a time certain and to either come to an agreement with these physicians or to move forward with other measures as recommended by Administration. Chair Di Pietro said that this could be tabled. He then suggested that Administration come back at a time certain to negotiate these contracts with the physicians and/or provide an update as to what the physicians will accept or not accept the contracts as negotiated by Administration. Chair Di Pietro said that the Board can hold a special meeting just to handle this item.

Commissioner Kohl moved that the Board approve what is recommended in Chart (Exhibit A) for total compensation and WRVU for the nine physicians that the Chair just suggested (Drs. Chizner, McCormack, Landau, Sharma, Perloff, Yoldas, Caldwell, Kanell, Burke, Carriera and McAuliffe)-- Seconded by Commissioner Rodriguez.

Commissioner Nieland moved to amend the motion. He felt that it is premature to vote on those contracts that are greater than six months out and already had legal approval that they were within the fair market value.

Commissioner Kohl said that Ms. Hunter has stated that she would work with those physicians as needed.

Commissioner Nieland moved to amend the motion to reflect that those physician contracts that are greater than six months out be sent back to committee.

Ms. Hunter said that if the Board allows the flexibility here then it looks like BH is not valuing the opinion of the physician but actually valuing the system and what needs to be done to right size these contracts. Ms. Hunter said that BH will abide by the termination clause; it will work on the interworkings of the contract and not necessarily change the template because BH has been told by its legal department and outside counsel and Arent Fox that his contract is compliant. Ms. Hunter said that BH needs to abide by the Board's policy of setting the 90th percentile cap and administration is recommending conservative RVU rates to safeguard the organization at this time. Administration has done the right thing and they have made the recommendation not from a mediocrity standpoint. It has been made from a very strong leadership perspective and Administration is asking for the Board's governance and leadership in the process.

As a recap, Chair Di Pietro said there was a motion on the floor by Commissioner Kohl, seconded by Commissioner Rodriguez to approve the WRVU rate as well as cap compensation for Drs. Chizner, McCormack, Landau, Sharma, Perloff, Yoldas, Caldwell, Kanell, Burke, Carrieria and McAuliffe.

Chair Di Pietro stated that Commissioner Nieland was making a motion to amend that motion.

Commissioner Nieland said that he did not disagree with what Ms. Hunter has said; however, his motion is to amend the motion so that the contracts that are greater than six months out (Drs. Chizner, McCormack, Sharma and Perloff) can be sent back to committee and expects that they would come back to the Board within 30 days.

Mr. Nask asked for the rationale for separating those contracts out. Commissioner Nieland stated that if the FMV is possibly changing and BH is negotiating with them, if you have not had the FMV changes, then BH gets that extra opportunity.

Ms. Hunter said that FMVs will not change in 30 days and what Administration is trying to do is standardize this across the system because each of these doctors is equally important to this system and to the patients that they serve. If the Board is going to do it to one part of the group and Administration is asking the Board's approval to do it to another part of the group segmenting that out is not fair. Ms. Hunter reiterated again, that Administration is asking for the Board's approval to allow them to execute these contracts within compensation standards that abide by Board policy and by what Administration believes is within fair market value.

Chair Di Pietro said that there is a motion on the floor by Commissioner Nieland is there a second--motion seconded by Commissioner Wright.

Commissioner Kohl questioned if the amended motion is asking that Drs. Chizner, McCormack, Sharma and Perloff be send back to committee--three of whom are being paid greater than the 90th percentile. Commissioner Kohl asked if the current motion was to keep them at the 90th percentile until they come back to the Board for a decision. Chair Di Pietro said Commissioner Nieland was suggesting that they go back to Committee. Commissioner Nieland explained that Arent Fox who is employed by BH previously told Administration that they were within fair market value and now that the market has changed they are now telling Administration that those contracts are out of the fair market value and Administration needs to make changes.

Mr. Doody asked that Commissioner clarify a timeframe in the motion.

Mr. Nask said that one of the things that Administration wants to accomplish by getting these contracts in compliance is to be able to go to the regulators and let them know that BH is now compliant.

Chair Di Pietro said that there was a motion by Commissioner Kohl to accept the WRVU rate as presented on the employment contracts/summary of financial terms as well as the cap compensation for Drs. Chizner, McCormack, Landau, Sharma, Perloff, Kanell, Burke, Carrieria and McAuliffe. There was also an amendment to that motion by Commissioner Nieland to send Drs. Chizner, McCormack, Sharma and Perloff into committee to allow for that issue to be discussed in committee--seconded by Commissioner Wright.

Chair Di Pietro asked that the motions be withdrawn and accepted as follows: that Drs. Chizner, McCormack, Landau, Sharma and Perloff, Kanell, Burke, Carrier and McAuliffe that their max compensation be approved and accepted by the Board.

Motions withdrawn by Commissioners' Kohl and Rodriguez and Commissioners' Nieland and Wright withdrew their motion.

Chair Di Pietro restated the motion: Exhibit A---compensation caps for Dr. Chizner, McCormack, Landau, Sharma, Perloff, Kanell, Burke, Carrier and McAuliffe as stated that the Board approves the max compensation caps allowing administration to negotiate the other non-financial terms. Commissioner Gustafson moved on Chair Di Pietro's recommendation--seconded by Commissioner Kohl.

Frances Impellezzeri, Deputy General Counsel asked for clarification with regard to the Board approving the compensation. She asked if the Board was also including in the motion the RVU rate. Chair Di Pietro stated that it would be the second recommendation.

It was noted that these contracts do not need to come back.

There being no further discussion, the Chair called for a roll call:

Commissioner Di Pietro	Yes	
Commissioner Gustafson	Yes	
Commissioner Kohl	Yes	
Commissioner Nieland	Yes	
Commissioner Rodriguez	Yes	
Commissioner Wright		Yes

Motion carried unanimously.

Chair Di Pietro entertained a motion for Drs. Chizner, McCormack, Landau, Sharma, Perloff, Kanell, Burke, Carrier and McAuliffe that the WRVU rate is accepted as noted on Exhibit A of the Broward Health Physician Group Employment Contract/Summary of Financial Terms be accepted and allowing administration to negotiate the final terms of the contract henceforth. Moved by Commissioner Nieland, seconded by Commissioner Kohl.

Chair called for a roll call:

Commissioner Di Pietro	Yes	
Commissioner Gustafson	Yes	
Commissioner Kohl	Yes	
Commissioner Nieland	Yes	
Commissioner Rodriguez	Yes	
Commissioner Wright		Yes

Motion carried unanimously.

At this time, Chair Di Pietro deferred to the Vice Chair, Commissioner Gustafson so that the Board could vote on Drs. Caldwell and Yoldas.

Chair Di Pietro recused himself from voting on Drs. Caldwell and Yoldas due to a conflict. Chair Di Pietro informed the Board that Jeff Cohen is the attorney for Drs. Caldwell and

Yoldas and a personal friend of Chair Di Pietro and who he represents in different capacities. Chair Di Pietro will file the appropriate paperwork stating the conflict.

Acting Chair Gustafson entertain a motion to approve Drs. Caldwell and Yoldas' contracts as stated above.

Commissioner Kohl moved that the Board apply the same metrics for cap compensation and WRVU rates for Drs. Yoldas and Caldwell—seconded by Commissioner Rodriguez.

Motion carried 5-1: Chair Di Pietro did not vote

Chair Di Pietro said now that the Board has reviewed the financial component, the non-financial components can be negotiated by Administration. Mr. Doody asked what if the physicians are not agreeable to the new components of the contract when the Board would want Administration to report that information to them. Chair Di Pietro said within 30 days or at the next Legal Affairs Committee meeting.

Ms. Hunter advised the Board that Administration will come back to the Board within 30 days or at the next Legal Affairs Committee meeting to inform the Board as to who accepted the offer and who has not accepted the offer for employment under the compensation that was approved at today's meeting.

Ms. Hunter thanked the Board for their support. She commented that this has been a difficult time for the physicians but she knows that in the coming months the perception will be that what BH has done today is the right thing. Administration has not only protected the organization but also protected administration and the physicians in this process.

Commissioner Rodriguez thanked Ms. Hunter for her leadership and commented that it was a job well done

APPROVAL OF MINUTES

1. Request approval of the Minutes of the Regular Meeting of the Board of Commissioners held May 28, 2014.

It was moved by Commissioner Rodriguez, seconded by Commissioner Wright:

THAT THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS HELD ON MAY 28, 2014 BE APPROVED AS PRESENTED.

Motion carried unanimously.

2. Request approval of the minutes for the Special Meeting of the Board of Commissioners held on June 4, 2014.

It was moved by Commissioner Kohl, seconded by Commissioner Gustafson:

THAT THE MINUTES OF THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS HELD ON JUNE 4, 2014 BE APPROVED AS PRESENTED.

Motion carried unanimously.

MEDICAL COUNCIL AGENDA

3. BROWARD HEALTH NORTH

Dr. Hoffberger thanked everyone today for attending the Groundbreaking Event and commented that they are looking forward to its completion in 2016.

Dr. Hoffberger then provided the following update:

- Broward Health North has been invited to present at the Second Annual Quality & Patient Safety Roadmap in July. They have been identified as a high performer and have been invited to share their storyboard “Eliminating Patient Harm Across the Board” at this meeting.
- In celebration of National Cancer Survivor’s Day, BHN held its annual celebration dinner and recognized 75 cancer survivors, caregivers, family members, friends, and staff to show that life after a cancer diagnosis can be meaningful and productive.

Dr. Darren Hoffberger Chief of Staff of Broward Health North, reported that the Medical Council had reviewed and recommended for approval by the Board of Commissioners all exhibited Medical Staff Additions, Changes and Resignations; Medical Staff Reappointments; Allied Health Additions, Changes and Resignations; Allied Health Reappointments; and Community Health Reappointment.

It was moved by Commissioner Gustafson, seconded by Commissioner Kohl:

THAT THE BOARD OF COMMISSIONERS APPROVE THE RECOMMENDATIONS OF BROWARD HEALTH NORTH’S MEDICAL COUNCIL OF ITEMS 3 (A-E):

- A. Medical Staff Additions, Changes and Resignations
- B. Medical Staff Reappointments
- C. Allied Health Staff Additions, Changes and Resignations
- D. Allied Health Staff Reappointments
- E. Community Health Reappointment

Motion carried unanimously.

4. BROWARD HEALTH MEDICAL CENTER

Dr. Yogel provided the following update:

- Celebrated the resident’s graduation on June 13---34 residents graduated and the event was held at the Hard Rock.
- Building project for the CT Similar installation is expected to be complete the last week of July 2014.

- New 10-bed Chest Pain Clinical Decision Unit located at 3 North Tower will open on June 9th. This is a unit that is designed to evaluate patients who present in the ER with cardiac symptoms but are at low risk for a cardiovascular event.
- Commissioner Darryl Wright toured BHMC last week.

Dr. Louis Yogel, Chief of Staff of Broward Health Medical Center, reported that the Medical Council had reviewed and recommended for approval by the Board of Commissioners all exhibited Medical Staff Changes and Additions; Allied Health Changes and Additions; Community Health Services Changes and Additions; Medical Staff Reappointments; Allied Health Reappointments; and Community Health Services and Weston Urgent Care Center Reappointments

It was moved by Commissioner Gustafson, seconded by Commissioner Rodriguez:

THAT THE BOARD OF COMMISSIONERS APPROVE THE RECOMMENDATIONS OF THE BROWARD HEALTH MEDICAL CENTER'S MEDICAL COUNCIL OF ITEMS 4 (A – F):

- A. Medical Staff Changes and Additions
- B. Allied Health Changes and Additions
- C. Community Health Services Changes and Additions
- D. Medical Staff Reappointments
- E. Allied Health Reappointments
- F. Community Health Services and Weston Urgent Care Center Reappointments

Motion carried unanimously.

5. BROWARD HEALTH IMPERIAL POINT

Dr. Howard Lewkowitz, Chief of Staff of Broward Health Imperial Point, reported that the Medical Council had reviewed and recommended for approval by the Board of Commissioners all exhibited Medical Staff Changes and Additions; Medical Staff Reappointments; Allied Health Changes and Additions; and Allied Health Reappointments.

It was moved by Commissioner Rodriguez, seconded by Commissioner Wright:

THAT THE BOARD OF COMMISSIONERS APPROVE THE RECOMMENDATIONS OF BROWARD HEALTH IMPERIAL POINT'S MEDICAL COUNCIL OF ITEMS 5 (A-D):

- A. Medical Staff Changes and Additions
- B. Medical Staff Reappointments
- C. Allied Health Changes and Additions
- D. Allied Health Reappointments

Motion carried unanimously.

6. BROWARD HEALTH CORAL SPRINGS

Dr. Sachedina provided the following:

- BHCS Minimally Invasive Colon Rectal Surgery program was approved by the Joint Commission and passed 100% with no deficiencies. They particularly liked the best practices of the nurse competency and the CPOE order set for colon rectal and recommended it as a model for other hospitals. BHCS is the only hospital in the state to have this program and only the second one in the nation.
- BHCS had their Primary Stroke program recertified with zero deficiencies.
- Brightest Star Winner for the Year was Joan Davis who works in administration.

Dr. Sachedina commented on the recent negative article in the newspaper stating that BHCS is potentially facing some penalties of falling into the lower percentile of its infection rate. Dr. Sachedina said the data that they are referring to reflects a two year period which ended two years ago. This is not an accurate presentation and BHCS's infection rate for the last six to eight months has been zero.

Dr. Azeem Sachedina, Chief of Staff of Broward Health Coral Springs, reported that the Medical Council had reviewed and recommended for approval by the Board of Commissioners all exhibited Medical Staff Appointments; Medical Staff Reappointments; Allied Health Appointments; and Allied Health Reappointments.

It was moved by Commissioner Gustafson, seconded by Commissioner Kohl:

**THAT THE BOARD OF COMMISSIONERS APPROVE THE
RECOMMENDATIONS OF BROWARD HEALTH CORAL SPRINGS
MEDICAL'S MEDICAL COUNCIL OF ITEMS 6 (A-D):**

- A. Medical Staff Appointments
- B. Medical Staff Reappointments
- C. Allied Health Appointments
- D. Allied Health Reappointments

Motion carried unanimously.

CEO REPORT:

Mr. Frank Nask commented on the Miami Herald story. He said that the Miami Herald wrote a story about BHCS and BHMC's infection rate averages that were two years old. BH has reviewed those items through the quality meetings and those numbers have greatly improved since two years ago. Actions have been implemented to improve outcomes.

Mr. Nask informed the Commissioners that BHMC has 34 new NOVA residents for a total of 106 residents and 9 programs which qualifies BHMC as a statutory teaching facility making BHMC one of seven statutory teaching hospitals in the state. Mr. Nask informed the Board that BHMC will be sending a letter to the Governor on July 1 asking Governor Scott to acknowledge and approve BHMC as a statutory teaching facility. In addition, Mr. Nask said that the objective now is for BHMC to work with FIU on the selection program directors to move into the ACGME

arena which is the Allopathic program with FIU. BHMC will be submitting applications to the ACGME for the Allopathic resident slots unless the Osteopathic and Allopathic programs merge which would expedite duly accredited programs.

CFO REPORT

As a follow up to last week's Financial Committee, Mr. Robert Martin provided a brief overview of the May 2014 financials.

- Overall volume was close to budget for the month; with compensated volume above budget and uncompensated volume below budget a trend that BH has seen since January. Admissions were up 2% or 118 cases with compensated cases being up 6% or 255 cases; patient days up 100 days with compensated days up 700 and uncompensated days down 600. Short stay cases down 7% or 100 cases; surgeries down 6% or 161 surgeries split evenly between inpatient and outpatient; outpatient visits down 55 or 1100 visits mainly at BHMC and BHN; ER visits up 100 visits with compensated visits being up 10% or 1500 visits and uncompensated visits down 1400 visits. Mr. Martin commented that the trend is continuing since the health care exchanges came on board in January.
- Financially: net operating revenue of \$85 million--\$200,000 favorable to budget; total expenses \$95 million--\$200,000 favorable to budget; net loss from operations for the month of May was \$10 million---\$400,000 favorable to budget.
- YTD through the first 11 months, net operating revenue \$915 million---\$8 million below budget; total expenses \$1,000,310,000 billion which is \$15 million favorable to budget. Net loss from operations for the first 11 months was \$117 million and running \$7 million favorable to budget with one month remaining. Mr. Martin also mentioned that all four of the hospitals were ahead of budget this year.
- BH continues to have a strong balance sheet—days cash is at 230 days – up 13 days from year end; total cash from investments \$675 million up \$48 million for the year or a gain of about 8% for the year.

It was moved by Commissioner Rodriguez, seconded by Commissioner Wright that the Board of Commissioners accept the Interim Financial statement for the month of May 2014.

GENERAL COUNSEL REPORT

Mr. D. J. Doody informed the Board that he was bringing before them for their consideration a request from the law firm of Gunster, Yoakley & Steward P.A. relative to the legal representation of Dr. Michael Chizner. Presently, BH is being assisted by Gunster, Yoakley in the negotiation contract for Intensivist Services for BHMC. This request comes to the Board in compliance with the Florida Bar Rules that requires a client to consent to a potential conflict of interest and waive it. Mr. Doody said that the letter from Gunster, Yoakley would allow its shareholder to represent an individual physician (Dr. Chizner) in contract negotiations.

Mr. Doody said that the General Counsel office is requesting that the Board approve the waiver.

Chair Di Pietro stated that the Board has taken the position that as long as it is not an adverse litigation or extreme conflict, the Board does not have a problem.

Commissioner Rodriguez commented that he did not have a problem with the request.

It was moved by Commissioner Rodriguez, seconded by Commissioner Nieland,

THAT THE BOARD OF COMMISSIONERS APPROVE THE WAIVER REQUEST BY GUNSTER, YOAKLEY & STEWARD P.A. LEGAL REPRESENTATION OF MICHAEL CHIZNER M.D.

Motion carried unanimously.

COMMITTEE REPORTS:

Quality Assessment & Oversight Committee--June 12, 2014- Commissioner Rocky Rodriguez reported that the QAOC meeting was held on June 12. The quality trending reports were presented by the CEOs of each of the hospitals along with the actions to improve performance. The risk management report was presented along with the quality report for Community Health Services. The minutes have been distributed for your review and approval.

It was moved by Commissioner Kohl, seconded by Commissioner Wright that the minutes of the June 12, 2014 Quality Assessment & Oversight Committee be approved as presented.

Motion carried unanimously.

Pension and Investment Committee--June 13, 2014 – Commissioner Kohl reported on behalf of Commissioner Nieland who was unable to attend the meeting, that the Northern Trust presented portfolios for both donated funds and total claims administration. Congress Asset Management reviewed the private equity portfolio. There was one small amendment made to a subscription agreement—it wasn't investor friendly favorable to BH and it was approved. Segal reviewed the unrestricted surplus and pension funds. The committee also discussed asset reallocation models and capital market assumptions that go into the modeling. The committee thought it would benefit the entire Board to have a workshop on how this model comes about and what the major assumptions were. This will be scheduled in the near future. Next meeting will be held on September 12th, 2014.

It was moved by Commissioner Gustafson, seconded by Commissioner Wright that the minutes of the June 13, 2014 Pension and Investment Committee be approved as presented.

Motion carried unanimously.

Finance Committee --June 18, 2014 – Commissioner Debbie Kohl said that everyone was at the Finance Committee meeting. Chair Di Pietro asked if there were any additions or corrections to the minutes. There being none,

It was moved by Commissioner Rodriguez, seconded by Commissioner Wright that the minutes of the June 18, 2014 Finance Committee be approved as presented.

Motion carried unanimously.

Legal Affairs Committee --June 18, 2014

Chair Di Pietro said that all the Commissioners were in attendance, he asked if there were any additions or corrections to the minutes. There being none,

It was moved by Commissioner Rodriguez, seconded by Commissioner Kohl that the minutes of the Legal Affairs Committee meeting held on June 18, 2014 be approved as presented.

Motion carried unanimously.

Building Committee -June 18, 2014

Chair Di Pietro said that all the Commissioners were in attendance, he asked if there were any additions or corrections to the minutes. There being none,

It was moved by Commissioner Rodriguez, seconded by Commissioner Wright that the minutes of the June 18, 2014 Building Committee meeting be approved as presented.

AGENDA CHANGES—Item 13 was moved to the front of the agenda.

CONSENT AGENDA

Chair Di Pietro asked for a motion to approve items 8, 9 and 10 as listed on the Consent agenda.

7. Acceptance of the Interim Financial Statement for the Month of May 2014. **(Approved un CFO report)**
8. Authorize the President/CEO to purchase hardware, software and implementation services for Phase 1 of the Broward Health (BH) Medical Grade Network—Next Generation Security Architecture from CDW, a MedAsset Group Purchasing Organization (GPO) Vendor and lowest bidder, at a cost of no more than \$1,583,702 for next generation Cisco Firewalling and Cisco SourceFire's intrusion detection and prevention technologies subject to General Counsel's review and approval as to legal form and conditioned on no material changes in the approved business terms.
9. Authorize the President/CEO to accept funding and execute a contract between North Broward Hospital District and the Florida Department of Elder Affairs in the amount of \$222,800 for the period July 1, 2014 through June 30, 2015, subject to General Counsel's review and approval as to legal form conditioned on no material changes in the approved business terms.
10. Approval of the Bid Results—BHIP- Renovation of Behavioral Health Unit to Associated Craftsmen of America.

It was moved by Commissioner Kohl, seconded by Commissioner Rodriguez:

THAT THE BOARD OF COMMISSIONERS APPROVED ITEMS 8, 9 AND 10 AS LISTED ON THE CONSENT AGENDA.

Motion carried unanimously.

DISCUSSION AGENDA

11. Approval of the CECH Phase 2 – RFP for Construction Manager Skanska USA.

Mr. Richard Polemeni, Director of Design and Construction presented Item 11. Mr. Polemeni stated that before the Board was the recommendation of the Selection Committee for the selection of the construction manager/contractor for the CECH Phase 2 project. Mr. Polemeni said that they went through a deliberative process that BH has been using for the past several years. Mr. Polemeni said that he was happy to hear that OHL Arellano was not protesting the process or saying anything about the due process or how BH conducted the selection process. Mr. Polemeni said that he had worked with them 20 years ago and he is well aware that they are a quality firm.

The two issues that they addressed was 1) equitable distribution of the work and 2) Risk. Mr. Polemeni said that only place where equitable distribution of the work is referenced in the Florida Statute is in the selection of design professionals which is part of BH's policy—Competitive Consultants Negotiation which is Statute 287.055. Mr. Polemeni read the Statute in detail.

Mr. Polemeni said that BH went through the process to select the most highly qualified firm among all well qualified firms and the three firms that were interviewed are qualified firms. He said that Arellano Construction 20 years ago used to be a certified diverse construction vendor, minority contractor and now that they joined with OHL they are an international firm; Turner Construction is a national firm; Skanska is a national and international firm--all well qualified firms.

The criteria that BH reviewed in this process did not include equitable distribution of contracts as selection criteria; however, BH did consider workloads, the personnel selected and their capabilities for performing the work. OHL Arellano Construction received all 20 points, even though they are not a certified diverse vendor. They have demonstrated in their past history their ability to ensure their subcontracting meets and exceeds the diverse vendor criteria. Skanska also received all 20 points.

Chair Di Pietro asked Mr. Polemeni to review the process which he did in detail. Chair Di Pietro asked Ms. Panyi, Chief Internal Auditor if she recommended any changes to the current policy. There was no need to make any changes to the policy.

Mr. Polemeni said that BH does not have a policy of rotation of a particular vendor. BH looks at whether the firm is capable of providing the necessary manpower to ensure that they can deliver and provide the best quality work. Based upon those criteria which was deliberated and discussed even though equitable distribution of contracts is not a criteria, BH considered ability of the firm in order to provide the necessary manpower to deliver the best team or boots on the ground in order to do a great job for BH. Skanska has a separate team so they have depth of resources. Mr. Polemeni said that it was individually scored with no collaboration and the numbers fell where they fell.

Commissioner Wright asked if the Selection Committee has a duty roster so it is rotated and the same people do not sit on the Selection Committee. Commissioner Wright asked if that was done fairly. Ms. Panyi commented that the Selection Committee consists of a

diversified team of experts (finance, construction and bidding process); it is not a required rotation. Mr. Polemeni also stated that important stakeholders who have a vested interest in the project were also part of the Selection Committee.

Chair Di Pietro asked if there is a contract that BH is entering into. Mr. Polemeni said yes and it will be a standard contract that will include the cost of the work plus a fee. It is the same contract that has been utilized on the CEHC Phase 1 and BH North projects.

Chair Di Pietro asked that in the future can the board see the contracts. Mr. Martin commented that they would be happy to bring the contracts to the Board in the future; however, today the Board is being asked to approve the recommendation of the Selection Committee.

Commissioner Wright asked when the BHN Retail Pharmacy contract was coming to the Board for approval. Mr. Polemeni said it would be coming back next month.

Chair Di Pietro asked the representative from OHL Arellano to respond to Mr. Polemeni remarks.

Mr. Hoynack said that the main important fact that they would like to discuss is the responsibility of shared risk. One contractor doing the three largest projects that BH has when BH has the power to use another contractor.

Commissioner Wright asked for an explanation of shared risk. Mr. Hoynack said they look at how much work they are giving to one contractor. What if something happens on that project and how will it affect them on the other project. By not distributing that risk is something that should be considered. From a sharing and outsourcing of subcontractors, by going to one contractor for three projects, BH is limiting their contractor base of potential subs that you can use for the project. By using a different contractor BH not only provides the opportunities on the two projects, BH would be providing a new source of subcontractors that can potentially get work from the hospital.

Mr. Art Hoynack said that the Board has the ability to open up the pool of opportunities to the community for subcontractors. Arellano is local and they are not going to bring anyone from out of town. He said that the Board right now is approving a preconstruction contract. He assumes that BH Construction will have to come back and get the GMP approved by the Board once it is finalized. OHL Arellano submitted a guaranteed on top of their proposal saying that if they do not satisfactorily complete the preconstruction services on this project they would refund its entire preconstruction fee. Mr. Hoynack said this is a new opportunity for them and they would like to show Broward Health what they can do and they put their fee on the line to do it.

Chair Di Pietro asked if there was anything that the Board could do. Mr. Doody stated that if the Board would like to see a report coming back to the Board that can be done; however, the item before the Board now is to accept or reject the recommendation.

Mr. Martin said that BH did follow its process and procedures and Skanska was the firm selected. If the BH goes against that process, it would be opening itself up for a law suit. Mr. Doody concurred and said that he believes that BH would be jeopardizing the process and could expose itself for potential liability.

Chair Di Pietro asked Mr. Nask if he had any concerns relating to the diversification issue. Mr. Nask said that Skanska has a minority requirement that is usually 20% so they need to outsource some percentage to minority firms under BH's guidelines. Mr. Nask stated that BH's Supply and Diversity department puts a minority percentage on each of BH's bids and BH needs to comply with that so if a firm is not a minority firm they would have to hire a certain number of minority subcontractors.

Mr. Polemeni said that equitable distribution of work is not a criteria. If BH wants to add that in the next selection process that may be something as an action going forward. He reiterated that BH went through a rigorous process and the Selection Committee selected the best qualified firm among three great firms that are capable of doing this work in delivering a successful project. The Contract that BH will be entering into is a cost of work plus a fee and the complete contract addresses the various GMPs and approvals going forward much like BH has been doing previously is a successful contract that works.

Commissioner Wright said his concern was mostly focused on the minority issue. Mr. Polemeni said that there was no problem with minority, OHL Arellano and Skanska got the full points. Mr. Polemeni said that the criteria for minority participation is not scored by him, it is scored by the Supply and Diversity department and certified through their expertise.

Mr. Nask said that BH's minority vendor participation is two times the national average for an organization. BH has a big commitment to minority vendors and it does about 10% which is in the \$40 to \$50 million a year range to local minority vendors.

Mr. Polemeni said that at the next building committee meeting there could be a discussion to look at some of the criteria and see if equitable distribution on some projects may be applied.

There being no further discussion,

It was moved by Commissioner Kohl, seconded by Commissioner Rodriguez:

THAT THE BOARD OF COMMISSIONERS APPROVE SKANSKA USA AS THE CONSTRUCTION MANAGER FOR THE CECH PHASE 2 PROJECT.

Motion carried unanimously.

12. Authorize the President/CEO to enter into a five year agreement with the GPO Vendor, Florida Linen Services, LLC; subject to General Counsel's review and approval as to legal form and conditioned on no material changes in the approved business terms.

Mr. Echelard informed the Commissioners that this item was placed on the Discussion Agenda so that the some of the Commissioners could review the contract which has been addressed. Chair Di Pietro said that he requested that this be placed on the Discussion agenda and after the Finance meeting he had a chance to speak with Mr. Brian Bravo. He now understands the GPO issue and now has no problem approving this item.

Commissioner Wright asked why BH would not start with a new vendor for 3 years, and if they prove to be good, it could be turned into a five year. Mr. Echelard stated that the GPO contract requires a five (5) year agreement and there are only two vendors that can do this job. One of those vendors is already servicing a great number of hospitals and cannot service BH so BH is locked into who they can do business with that are Joint Commission accredited and meet the guidelines of what is needed. Mr. Echelard said that the contract can be terminated for cause/breach.

It was moved by Commissioner Kohl, seconded by Commissioner Rodriguez:

THAT THE BOARD OF COMMISSIONERS AUTHORIZE THE PRESIDENT/CEO TO ENTER INTO A FIVE YEAR AGREEMENT WITH THE GPO VENDOR, FLORIDA LINEN SERVICES, AND LLC; SUBJECT TO GENERAL COUNSEL'S REVIEW AND APPROVAL AS TO LEGAL FORM AND CONDITIONED ON NO MATERIAL CHANGES IN THE APPROVED BUSINESS TERMS.

Motion carried unanimously.

COMMENTS BY COMMISSIONERS

Commissioner Wright said that he did not want anyone to take anything personally about the stated that he read but what was said he felt very strongly about. When he was in the military he did a lot of negotiations so he understands the negotiation process. He may not understand how it works in the medical arena but it's not easy, it's painful and that is good because when it's painful the right decisions are made.

Commissioner Rodriguez said it was a wonderful night.

NEXT REGULAR BOARD MEETING

The next regularly scheduled Board of Commissioners' meeting will be held on July 30, 2014 at 4:00 p.m. in the Auditoriums at Broward Health Medical Center- 1600 South Andrews Avenue, Fort Lauderdale, Florida.

Meeting adjourned at 7:35 p.m.

Respectfully submitted,
Debbie L. Kohl, Secretary/Treasurer

BY: Maryanne Wing/Pamela Hatfield

A FULL RECORDING OF THIS MEETING IS AVAILABLE ON TAPE