

**BOARD OF COMMISSIONERS’  
REGULAR MEETING  
Broward Health Corporate  
Spectrum  
1700 NW 49th Street, Suite 150  
Fort Lauderdale, Florida  
October 25, 2017 - 4:00 p.m.**

**MINUTES**

The October Regular meeting of the Board of Commissioners of the North Broward Hospital District was held at 4:00 p.m. on October 25, 2017 at Broward Health Corporate, Spectrum Site; 1700 NW 49 Street, Suite 150, Fort Lauderdale, 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.

Chairman Rodriguez called the meeting to order at 4:10 p.m.

**ROLL CALL**

Commissioners present:

- Commissioner Rocky Rodriguez – Chairman
- Commissioner Christopher Ure – Vice Chairman
- Commissioner Linda Robison – Secretary/Treasurer
- Commissioner Steven Wellins - Board Member (by phone)
- Commissioner Andrew Klein – Board Member

The Pledge of Allegiance was led by Commissioner Linda Robison.

**COMMENTS FROM THE AUDIENCE:** There were no comments from the audience.

**ELECTION OF OFFICERS**

Chairman Rodriguez advised that every year, according to the District Bylaws, the Board has to elect their Officers at the first meeting in the month of October. He explained that the Board has the choice of keeping their Officers in place or nominating new Officers.

**Chairman Rodriguez opened up nominations for Chairman.**

Commissioner Wellins nominated the existing Chairman, Commissioner Rocky Rodriguez, seconded by Commissioner Robison. There being no further nominations, nominations were closed.



Commissioner Robison asked if there could be a motion for the full Board to accept the recommendation of the Compliance Committee regarding the increase and adjustment of Mr. Hartfield's salary as well as to the extent applicable to make an exception to the HR policy regarding the pay grade differentials.

**Commissioner Ure moved that the Board accept the recommendation of the Compliance Committee as stated. Seconded by Commissioner Wellins.**

**Motion carried unanimously.**

**Commissioner Robison moved to walk on the second item from the Compliance Committee meeting to discuss and approve the selection process for the permanent Compliance Officer and to try to narrow down people they would like to interview, seconded by Commissioner Ure.**

**Motion carried unanimously.**

Commissioner Robison asked Mr. Nyamora to talk through the process for the members of the public and to make sure that Commissioner Wellins is able to participate as well.

Mr. Nyamora advised that they currently have eleven (11) available individuals who are interested in the permanent position of Chief Compliance Officer. He indicated he had sent out a Memo to each individual Board Member requesting that they review the candidates and select three of their most desirable from that list. He would like to have an agreement on who they would like to interview in the sunshine at a date for the Board to decide on.

**Chairman Rodriguez advised of his three choices:**

- 1) Sharon Blackwood
- 2) Jeffrey Pigott
- 3) Nicholas Hartfield

**Commissioner Robison advised of her three choices:**

- 1) Jeffrey Pigott
- 2) Cynthia Perrone
- 3) Nicholas Hartfield

**Commissioner Ure advised of his two choices:**

- 1) Cynthia Perrone
- 2) Nicholas Hartfield

Commissioner Ure indicated his third choice was no longer interested in the position.

**Commissioner Klein advised he actually had four choices:**

- 1) Cindy Kim
- 2) Marlen Morales
- 3) Jeffrey Pigott
- 4) Nicholas Hartfield

**Commissioner Wellins advised of his three choices:**

- 1) Nicholas Hartfield
- 2) Cindy Kim
- 3) Carolyne St. Louis

Mr. Nyamora provided a count of the Commissioners' selections. There were five for Nicholas Hartfield, three for Jeffrey Pigott, two for Cindy Kim and Cynthia Perrone and everyone else had one vote.

Commissioner Robison indicated that it seemed to her that they should interview all four unless anyone has a strong opposition. Commissioner Robison inquired if she had a motion to interview all four who received multiple indications of interest. Chairman Rodriguez stated he is fine with it.

**Commissioner Klein made the motion that they interview the four candidates receiving the top votes among the Commissioners, seconded by Commissioner Robison.**

**Motion carried unanimously.**

There was discussion by Chairman Rodriguez and Commissioner Robison on the search being a good source of finding good, qualified candidates for an organization of 9,000 employees and possibly some of those individuals going into the Compliance Department or in Legal with their backgrounds so it makes sense to interview all four candidates. Commissioner Robison suggested getting the interviews scheduled as soon as possible as well as another Compliance Committee meeting scheduled very soon and in the sunshine.

Mr. Nyamora confirmed that the four candidates to be scheduled for interviews are Nicholas Hartfield, Jeffrey Pigott, Cindy Kim and Cynthia Perrone.

**Commissioner Klein moved that the Board interview the four candidates just mentioned for the position of Chief Compliance and Privacy Officer, seconded by Commissioner Ure.**

**Motion carried unanimously.**

**WALK ON ITEM:**

The filing of the self-reporting reports with CMS with respect to two matters that were discussed in the Compliance meeting.

**Motion made by Commissioner Robison to walk on this item, seconded by Commissioner Ure.**

**Motion carried unanimously.**

**Motion made by Commissioner Robison for the full Board's consideration as authorizing management with consultation with the lawyers and financial advisors to file as soon as practicable a self-reporting item with CMS with respect to two reportable events that would be violations under Stark, seconded by Commissioner Klein.**

**Motion carried unanimously.**

**RATIFICATION OF CEO FOR BHMC – Gino Santorio**

**RATIFICATION OF CEO FOR BHN – Gino Santorio**

Chairman Rodriguez mentioned that he was asked by the Board to work with any of the new CEOs who were in the ratification process. He said he has known Sandra Todd-Atkinson for many years and hated losing her at his District, BHIP. He mentioned how dedicated and committed she is.

Chairman Rodriguez also commended Ms. Taylor for doing a great job.

At this time, Mr. Santorio provided a brief background on both Ms. Todd-Atkinson and Ms. Taylor. Mr. Santorio thanked the Board of Commissioners for their consideration in ratifying these positions and thanked the Chiefs of Staff as well. He had spoken to Dr. Maheshwari from North and Dr. Yogel at Medical Center as well as the MEC and wanted to give the commitment to them as they go forward to provide more inclusion. They would really like to get them involved earlier on in the process with a more active role in addition to what they have done recently for these two. He thanked them again for their support.

Mr. Santorio went on to say that he has been working with Ms. Taylor and Ms. Todd-Atkinson for four weeks and he can tell that this health system is what Florida needs and definitely what Broward deserves. He is excited about the opportunity to have Alice and Sandra as part of the new Broward.

Mr. Santorio read Resolution No. 17-10-25-01 for the Board's consideration to ratify Sandra Todd-Atkinson as the CEO of Broward Health Medical Center and Alice Taylor as CEO of Broward Health North.

**Commissioner Wellins moved to approve Resolution No. 17-10-25-01 to ratify Sandra Todd-Atkinson as the CEO of Broward Health Medical Center and Alice Taylor as CEO of Broward Health North, as written, seconded by Commissioner Ure.**

Commissioner Klein made a point of information that there might have been an extra "County" in the Resolution. He believes the verbiage needed to be corrected. Commissioner Robison felt the ratification could be approved but revise the Resolutions, per Commissioner Wellins.

**Commissioner Wellins restated his motion to be approved subject to any minor typographical errors corrected. Seconded by Commissioner Robison.**

**Motion carried unanimously.**

Chairman Rodriguez called Ms. Taylor and Ms. Todd-Atkinson forward to say a few words. They each expressed their gratitude in being given the opportunity to accept these positions.

Commissioner Ure asked Robert Bugg to stand and thanked him for his stewardship of Broward Health North as Interim CEO. He thanked Mr. Bugg personally and on behalf of the Board of Commissioners.

Mr. Santorio mentioned that he misspoke while reading the Resolution; therefore, no corrections needed to be made to the document. It was duly noted by Chairman Rodriguez.

### **MONTHLY UPDATES:**

- **SAFETY & QUALITY** – Dr. Dan Westphal

Dr. Westphal announced the addition of Lee Ghezzi, VP of Quality and Case Management. He advised Mr. Ghezzi will be responsible for the administration, development and implementation of system-wide case management, plans, policies, programs and accounting processes. Dr. Westphal also provided Mr. Ghezzi's background and credentials. Mr. Ghezzi was not present but will be introduced at a future Board meeting.

Dr. Westphal asked the Chairman if he would like him to give a few points about the QAOC meeting that had been held. Dr. Westphal highlighted the Leapfrog program which is a framework used for quality and safety improvement. All four facilities have had improvements in their Leapfrog scores since the initiative started. It continues to be a work in progress.

Also, they continue to work on improving HCAHP scores across the system. They have also implemented a physician influenza vaccination initiative.

Dr. Westphal said also of note is that Press Ganey will be presenting at their National Client Conference the extraordinary measures the four facilities took to care for the community during Hurricane Irma. He also mentioned that the Advisory Board is using the North Broward Hospital District as a case study for best practice for OPPE. They are also continuing to work on anti-microbial stewardship across the system.

- **BUILDING** – Gino Santorio

Mr. Santorio provided an update on the ongoing three signature projects:

The Salah Foundation Children's Hospital which has an estimated completion date in fiscal year 2020, had their phase one grand opening earlier this month which showcased the Pediatric ICU. He thanked everyone for making it possible.

The Broward Health North west façade project will be completed spring of 2018. It is being upgraded to showcase the new Emergency Department and have the new modern appearance which will be visible to the I-95 corridor. The main lobby and outpatient lobby areas are being overhauled.

For Broward Health Coral Springs in early fiscal year 2019, the new bed tower project will be completed which will increase capacity from 196 beds to 250 beds. That will provide a unique opportunity with 28 private medical surgical beds, 28 private post-partum beds, 12 L&D rooms,

3 C-section suites and ten NICU beds. The new infrastructure will help to meet the demands of one of the fastest growing areas in the county.

#### **QUARTERLY UPDATE:**

- **STRATEGIC PLANNING – Gino Santorio**

Mr. Santorio advised that the continued focus is on operational efficiencies and accountability measures to improve quality. They are looking to continue to reduce the burden on tax payers. He reiterated what Dr. Westphal had said about the Leapfrog scores being improved. Mr. Santorio went on to state that everyone is continuing to embrace the new culture of coming together. There are four acute care facilities and ancillary areas and we need to operate as one system. He went on to say he will be addressing an agenda item for a proposal to implement a patient tracking system which will give the leverage to have a real-time visibility system in a lot of the patient flow areas. Ultimately, they are looking to maintain consistency and more closely monitoring all of the operations of the facilities, track toward standardization and that is the first piece of their strategy, to stay on track. The next quarterly update will provide mid and long-term strategies.

#### **APPROVAL OF MINUTES**

1. Request approval of the Minutes of the First Tax Hearing held on September 15, 2017.

**It was moved by Commissioner Klein, seconded by Commissioner Robison that the Board of Commissioners approve the minutes of the First Tax Hearing held on September 15, 2017.**

**Motion carried unanimously.**

2. Request approval of the Minutes of the Second and Final Tax Hearing held on September 28, 2017.

**It was moved by Commissioner Klein, seconded by Commissioner Ure that the Board of Commissioners approve the minutes of the Second and Final Tax hearing held on September 28, 2017.**

**Motion carried unanimously.**

3. Request approval of the Minutes of the Regular Board of Commissioners' meeting held on September 25, 2017.

**It was moved by Commissioner Klein, seconded by Commissioner Robison that the Board of Commissioners approve the minutes of the Regular Board of Commissioners' meeting held on September 25, 2017.**

**Motion carried unanimously.**

4. Request approval of the Minutes from the following Committees:

a) Building Committee

**A motion was made by Commissioner Ure to approve the minutes of the Building Committee, seconded by Chairman Rodriguez. Motion carried.**

b) Legal Affairs Committee

**A motion was made by Commissioner Wellins to accept the minutes of the Legal Affairs Committee, as presented, seconded by Commissioner Ure.**

At this time, Commissioner Robison pointed out that these minutes are from 2016. Discussion followed about the Board's prior decision to have Committee minutes approved at its next Committee meeting and that the Board no longer consists of Commissioners who sat on some of these Committees, making it difficult to approve the minutes. General Counsel stated that what she believes the Chairman was considering is that due to the minutes being outstanding and the Committee meetings not having been fruitful in scheduling, that everything get cleaned up by the end of the year while everyone is present.

Chairman Rodriguez expressed the importance of having the minutes approved as it makes it easier to pinpoint when certain matters were handled and the minutes are not "out there" until they are approved. It would also be his recommendation that any Committee meetings that may not take place for several months, go before the full Board for approval as he does not want any minutes to linger.

Commissioner Ure mentioned that he read through the minutes of those Committees on which he Chairs or is a member and is fine with them.

Commissioner Robison felt it may be more appropriate to accept the minutes as presented, rather than approve what was written by the Committee a year and a half ago. In addition, she suggested accepting the minutes, all at once, which were reflecting the meetings that were held previously. Going forward, she feels we need to be more diligent about approving the minutes.

c) Finance Committee

d) Special Finance Committee

e) Pension & Investment Committee

f) Audit Committee

g) Governance Committee

h) CEO Search Committee

**Commissioner Robison made a motion that, of the Committee minutes reflected in item 4a through 4h, this Board accept the minutes as presented.** Chairman Rodriguez asked that an

exception be made as he and Commissioner Wellins, who was on the phone, are the members of the CEO Search Committee so they can account for that.

**At this time, Commissioner Robison amended her motion to reflect that the Board accept the minutes as presented, in item 4a through 4g, excluding 4h. Seconded by Commissioner Ure.**

**Motion carried unanimously.**

**Commissioner Wellins made a motion to accept the minutes from the CEO Search Committee meeting as presented, as they accurately reflected the meeting that was held. Seconded by Chairman Rodriguez. Motion carried.**

**5. MEDICAL STAFF/CREDENTIALING UPDATE – Dr. Dan Westphal**

- a) Broward Health North**
- b) Broward Health Imperial Point**
- c) Broward Health Coral Springs**
- d) Broward Health Medical Center**
  - Medical Staff Changes and Additions
  - Allied Health Changes and Additions
  - Community Health Services Changes and Additions
  - Medical Staff Reappointments
  - Allied Health Reappointments
  - Community Health Services & Weston Urgent Care Center Reappointment

Dr. Westphal advised that all credentialed reports from Broward Health Coral Springs, Broward Health Imperial Point, Broward Health Medical Center and Broward Health North were reviewed by himself as well as the Chiefs of Staff. Dr. Westphal requested approval in their entirety. System-wide, there were 46 new appointments, 109 reappointments and 15 resignations; all requests were approved as submitted. Additionally, BHMC is requesting approval of the Coronary and Peripheral Laser Atherectomy Credentialing Criteria, as attached in their exhibit.

**Motion made by Commissioner Klein to approve items 5a - d, seconded by Commissioner Ure.**

**Motion carried unanimously.**

**INTERIM PRESIDENT/CEO UPDATE – Gino Santorio for Beverly Capasso**

Mr. Santorio provided an update on some of the things happening around the hospitals and Community Health Services. October was a busy month with breast cancer awareness activities. He commended everyone for their support; not only in providing excellent patient care, but bringing the disease to the forefront.

On October 10<sup>th</sup>, Community Health Services participated in a Premature Symposium in partnership with the March of Dimes held at the Signature Grand at which over 200 physicians, nurses, case managers and social workers attended.

Broward Health Coral Springs was listed in the 2018 edition of U.S. News and World Reports for Best Hospital's Get with the Guidelines Stroke Gold Plus Achievement which is their highest.

Broward Health Imperial Point celebrated its 2017 Health Care Quality & Infection Prevention week with their annual parade of posters celebrating evidence-based practice, reduction in hospital acquired infections and shared governance featuring over 24 posters. There were over 100 attendees at the event.

For Broward Health Medical Center, on October 17<sup>th</sup>, they were recognized as a five star recipient in two areas. Every year, Health Grades evaluates hospital performance at nearly 4500 hospitals nationwide for 34 of the most common in-patient procedures and conditions. BHMC received the five stars in both the treatment of pneumonia and pace maker procedures. In addition, the Liver Transplant Program at BHMC has again been named eligible for the blue distinction centers for transplant which will be effective January 1, 2018.

Broward Health North has been selected as one of the recipients of the Hospital Achievement Award in recognition of its continuous support and dedication to organ donation. This was given to Broward Health by the Life Alliance Organ Recovery Agency. BHN will be recognized for their achievement at the Miracles of Life Awards Luncheon which will be held on Friday, November 3, 2017.

### **GENERAL COUNSEL REPORT – Lynn Barrett**

Ms. Barrett advised that pursuant to 286.011 (8) of the Florida Statutes she would like to request a Shade Session to obtain the Board's advice and guidance regarding pending litigation to which the North Broward Hospital District is currently a party. The subject matter of the Shade will be confined to settlement negotiations or strategy sessions related to litigation expenditures in connection with Vazaios et al. v. North Broward Hospital District et al. which is currently sitting in Broward County Circuit Court. The Shade Session will be held by the Chairman of the Board as well as Commissioners Klein, Ure, Robison and Wellins. Also attending will be Beverly Capasso, Interim President/CEO, as well as Mr. Jonathan Abel and Mr. Matt Weber, counsel for the District as well as herself. At this time, Ms. Barrett asked for a motion to hold a Shade Session.

**It was moved by Commissioner Klein to hold the Shade Session as recommended by General Counsel, seconded by Commissioner Ure.**

**Motion carried unanimously.**

Chairman Rodriguez mentioned that he was going to move an item from the agenda because he needed Commissioner Wellins to be part of it and was concerned about losing communication with him as he was attending by phone. Therefore, he moved the CEO Search Review to prior to the Discussion Agenda and asked Mr. Nyamora to come forward.

**CEO SEARCH REVIEW – Chairman Rocky Rodriguez**

Chairman Rodriguez advised that a Special Committee authorized by this Board was created to do the process and protocols and re-open the CEO search. A firm had been hired with no relationship to Broward Health who did all the vetting. There were hundreds of applicants, they ended up with about ten qualified candidates and asked the Board Members to bring five so they could pick out the best of the five.

Commissioner Wellins added that how they attempted to sort the candidates for independence, confidentiality and to get the best possible pool of applicants, they ended up with nine or ten who made the grade and wanted to move forward.

Chairman Rodriguez expressed his support on behalf of the Board to Ms. Capasso for taking on the task at hand. He feels they are in a great position now to look for a CEO.

Mr. Nyamora advised he was ready to score the Board’s candidates. The scoring began with the Chairman.

**Chairman Rodriguez advised of his five choices:**

- 1) Mike Young
- 2) Joseph Gilene
- 3) Robert Minkin
- 4) Barbara Martin
- 5) Steve Altmiller

**Commissioner Ure advised of his five choices:**

- 1) Mike Young
- 2) Joseph Gilene
- 3) Robert Minkin
- 4) Barbara Martin
- 5) Dr. Jessie Tucker

**Commissioner Klein advised of his five choices:**

- 1) Steve Altmiller
- 2) Joseph Gilene
- 3) Barbara Martin
- 4) Robert Minkin
- 5) Mike Young

Commissioner Klein indicated he also had Peter Bastone as a possibility.

**Commissioner Wellins advised he was only able to choose four of whom he was comfortable with:**

- 1) Dr. Jessie Tucker
- 2) Joseph Gilene
- 3) Robert Minkin
- 4) Michael Kotzen

**Commissioner Robison advised of her four choices:**

- 1) Steve Altmiller

- 2) Joseph Gilene
- 3) Barbara Martin
- 4) Mike Young

Mr. Nyamora confirmed each Commissioners' choices and provided the totals as follows:

- Joseph Gilene – Five (5) votes
- Barbara Martin – Five (5) votes
- Robert Minkin – Four (4) votes
- Mike Young – Four (4) votes
- Steve Altmiller – Three (3) votes
- Dr. Jessie Tucker – Two (2) votes
- Michael Kotzen – One (1) vote
- Peter Bastone – One (1) vote

Commissioner Ure asked if he might make a recommendation to bring in the top six (6) because he feels people fall off for different reasons.

**Commissioner Ure moved that the Board bring in the six who received two or more votes. Mr. Nyamora repeated the names of those six candidates which were, Joseph Gilene, Barbara Martin, Robert Minkin, Mike Young, Steve Altmiller and Dr. Jessie Tucker. Motion was seconded by Commissioner Robison.**

**Motion carried unanimously.**

Chairman Rodriguez asked Mr. Nyamora to contact the other candidates and thank them and to advise the six chosen candidates that they will be interviewed.

Chairman Robison inquired whether the vetting firm had done traditional background searches. Mr. Nyamora advised that they had done the reference checks and the background screening both nationally and locally. Chairman Rodriguez went on to state that psychological checks were not done as it would be very costly. Mr. Nyamora suggested making a decision on that when they have the final two candidates.

Commissioner Klein asked if they would be receiving additional information on the narrowed field of candidates prior to the interviews. Mr. Nyamora advised that what he has he did provide but it is at the discretion of the Board what additional information they would like. Commissioner Klein indicated there are a couple of areas where he would like to see additional information despite being able to meet with the people and be able to see their personalities; however, from the resumes, there seems to be a lot of representations being made about having done this and that and feels there is a way to vet some of these candidates with some of the metrics and measurements and results that are out there. For example, if a particular candidate ran a hospital system, he would like to see what their financial performance was to the extent they have access to that information. Likewise, under the metrics for medical care and performance, he would like to see how that changed over the course of that person's tenure as that leader. To the extent they can get that additional information on this narrowed field of six candidates, Commissioner Klein requests that they obtain that.

Commissioner Wellins felt that they could likely go back to the outside consultant now and talk about the behavioral capabilities they have. He felt maybe it made sense to do that on this six prior to them getting here, presuming they would like to come for the interview and are ready to move forward with the formal interview. He said he would like them to be able to back up the resumes with facts and figures.

Mr. Nyamora said that as long as the Board is open to that suggestion and they approve it, a reasonable amount can be spent to get the six through a behavioral assessment, they will do that.

Commissioner Robison suggested confirming that the candidates are still interested in coming in for an interview before additional monies are spent on any of the candidates. Commissioner Wellins agreed. Mr. Nyamora advised that the group of names that the Board received confirmed right before they sent out the ten candidates but HR will reconfirm again as interviews are being arranged.

Mr. Nyamora made an additional clarification that once the candidates are down here, is there any process the Board would like them to go through? Chairman Rodriguez indicated that he and Commissioner Wellins needed to have another meeting to try and work out the protocol. Then collectively, they will find the time to conduct the interviews.

At this time, Mr. Santorio asked if his two issues could be addressed as he needed to leave to address a pressing issue at one of the Medical Centers. Chairman Rodriguez permitted Mr. Santorio to address items 8 and 9.

### **DISCUSSION AGENDA**

6. Acceptance of the Interim Financial Statement for the month of September 2017 and Acceptance of FY 2017 Audited Financial Statements.

Mr. Goldsmith presented this item and advised that September was a tough month. He stated he would like to talk about what happened in the month and what they are going to do to fix it on a go-forward basis. From a gain-from-loss from operations which is what he is focused on, is net operating results, Broward Health had a negative \$19 million on a budget of negative \$13 million. It is a negative variance of \$6 million. Hurricane Irma was a major factor to that. That was about \$9 million of additional expenses added on to the books. He went on to say that there is government money out there that President Trump has allowed to be tapped into. Kelly Keys is working to recoup that money. He is working with the CFOs and CEOs of the regions who are working at back-to-budget plans to try to recoup some of the money in the event Broward Health does not get the money from the Government. He added that 50% of that was revenue loss so when looking at all of the statistics, admissions were down, surgeries were down, ER visits were down and length of stay was up. All the indicators were in the opposite direction. He is working on tracking that if all that business that went away during the storm will come back over the next two to three months. He will have more results when they close the month of October. The positive is that the start of the fiscal year was a good few months. Mr. Goldsmith also mentioned that what they did with the overtime, to keep everything fair, all overtime associated with the hurricane he put on the Corporate Books to take away from the regional medical centers. When he holds the regional medical centers

accountable to the overtime, that is a true number of what their overtime was and all the CFOs and CEOs have agreed to that number. They are working on strategies and having job fairs. From last month to this month, the overtime has stayed flat and not gone up. They will be continuing within the next three to four months on strategies to reduce it to best standard at 2 ½ %.

**A motion was made by Commissioner Klein to accept the Interim Financial Statement for the month of September 2017, seconded by Commissioner Wellins.**

**Motion carried unanimously.**

Mr. Goldsmith advised that the day before the Board Meeting, there had been an audit discussion; however, there was no quorum to do a motion to the Board. He mentioned there was great dialogue with the auditors. Mr. Goldsmith brought up Philip Price from Warren Averitt who summarized the report and the required communications letter which summarizes what they have to report to the Board as a result of their audit. There were no significant accounting changes during the year so no new pronouncements. When looking at changes from year-to-year, those should be consistent and accounting policies would not impact that. Also, the financial statements are made up of significant estimates which are based on management's knowledge and experience about past and present events and also an outlook on future events. Some of the significant estimates were the estimate of allowance for uncollectable accounts, the contractual allowance, the estimated third party payer settlement, the provision for unpaid group health claims, workers' compensation claims and general liability claims, interest rate swaps and also contingent liabilities that are on the balance sheet. For all of those, the estimates were reviewed during the course of the audit and in their review felt they were reasonable in relationship to the financial statements taken as a whole.

Mr. Price went on to say that they had also reviewed the disclosures in the financial statements and felt those were neutral consistent and clear; however, they wanted to make emphasis to two separate disclosures; one dealing with the Corporate Integrity Agreement and the other one dealing with significant business risks which Mr. Dunn will discuss. Mr. Price advised that the audit had started July 31<sup>st</sup> so all of the information was not available at the time which resulted in adjustments coming down after they started. Those adjustments resulted in a \$10.4 million decrease in net assets and a \$4 million increase in liabilities so an overall decrease in \$14.4 million. There were also items that were passed on during the audit which were deemed not material to the financial statements and not posted. Those totaled a decrease in \$2 million to the assets, a decrease of \$2.4 million to the liabilities and roughly a \$400,000 increase in net assets if those had been posted to the financial statements.

If there were any disagreements with management, it would have to be reported at this time. Mr. Price advised that Mr. Goldsmith has a great team. They provided information timely, responded to any questions they had with a timely response and good explanations. There were no disagreements with management or difficulties in receiving information they needed in the course of the audit.

Mr. Price advised that that finalizes what they are required to report but briefly wanted to address the audited financial statements. Page one of the audit report is their opinion. He pointed out page 12 which was the balance sheet and noted Broward Health's total assets for 2017 are approximately

\$1.5 billion which was a \$55.7 million increase in assets. The increase was driven by an increase in capital assets and investments. Mr. Price went on to state that on the liability side of the balance sheet, there was a deep decrease in liabilities of around \$21 million with total liabilities on June 30, 2017 of \$592 million. Driving those decreases was a decrease in the net pension liability and the decrease in the fair value of the interest rate swap.

Mr. Price also discussed the income statement and advised that the total operating revenues are fairly consistent. Overall, the operating loss was \$149,184,000 for the fiscal year ending June 30, 2017 which is an improvement of \$2.8 million from last year. Other operating revenues were \$182 million for the fiscal year of June 30, 2017 which is a \$43.7 million improvement from last year. The investment income of \$56 million was driving that change.

The cash flow statement reflected an increase on June 30, 2017 to \$104,892,000 which is a \$30.7 million increase from last year. Mr. Price went on to say that there are two new pronouncements that could impact Broward Health's financial statements going forward, one of which is GASB 75 on page 23 of the financial statements which could require Broward Health to put a liability on the balance sheet for post-retirement benefits which will have to be addressed in the current year. The other pronouncement is GASB 87 which deals with leases.

Commissioner Ure stated for everyone's edification that the GASB 75 would suggest an unfunded liability for post-employment benefits of \$290.4 million. It is a misnomer to him as Broward Health currently funds the post-employment benefits through operations on an annual basis so the suggestion that it is unfunded is not particularly accurate to him, but he wasn't consulted. To him, it is only an issue of a material nature if something were to happen to the operations in a negative way that stressed the organization more in terms of funding post-employment benefits. He just wanted staff and the community who might read the statements, to know it is not exactly an unfunded liability. It is a moving target which depends a lot on when people retire, how long they have before Medicare and a variety of other factors. It is an estimate that he is sure will be refined over time but perhaps the GASB rule will be modified to some extent.

Mr. Goldsmith advised that he had already asked for some opinions from Broward Health's consultants who he will bring to the next Audit Committee to educate the Board on how they will handle that for next year.

At this time Mr. Wayne Dunn highlighted a couple of items on the Corporate Integrity Agreement and the significant business risk. This has been talked about in the past and the Board has seen the disclosures from last year and this year and this disclosure is very similar. He looked back and realized Warren Averitt signed their agreement with Broward Health October 20, 2016 so it has been just over a year since they started last year's audit and completed the second year of their audit, causing some overlap. A lot of things being audited last year were still occurring in this fiscal year so that is why the footnote is very similar because they were encountering it in both years. Some of these things will be more clarified as they get into year three of the engagement. Mr. Dunn mentioned that last year, the IRO came in and looked at things. The Board was unable to conclude that there was an effective compliance program in place at that point in time based on the facts that were there. He went on to say that significant risks are to be expected with any healthcare

organization no matter which state, in dealing with Obamacare and Medicaid so there is a significant business risk by the nature of our business and dealing with Medicaid. This is highlighted in the report and he suspects it will continue to be highlighted until such time healthcare is completely taken care of and may never occur. That type of business risk is going to continue in the report. They noted there was turnover of Board Members which happened in this fiscal year as well. He is hoping that risk goes away next year. There were also some interim positions in place and since that time, have a permanent position as CFO. Hopefully, those business risks will continue to diminish.

Mr. Dunn also mentioned that there was a letter that dealt with material weaknesses. He had mentioned to each of the Board Members that when they delivered that letter last year that he expected it to be the same this year and it is. They are the same issues noted last year which is because of the status of the Corporate Integrity Agreement and the violations from last year and the anti-kickback statute violation. They call that to be a material weakness in internal controls. He is hopeful as they move in to next year, barring a major issue coming up this year, that that violation will cure itself and there will not be a material weakness to disclose next year.

Mr. Dunn expressed that it was very good working with Broward Health's team and looks forward to continuing to work with Mr. Goldsmith. There has been nothing but cooperation from the people with whom they have been working and they appreciate that and the cooperation they have had from the Board in meeting with them and working through a number of issues over the last year.

For the record, Mr. Goldsmith just wanted to commend his accounting staff for their hard work and dedication to putting this audit together. It was countless hours and there was the dedication that really got the audit through on time.

**Commissioner Ure moved to accept the fiscal year 2017 Audited Financial Statements as presented by and opined by Warren Averitt, seconded by Commissioner Robison.**

**Motion carried unanimously.**

7. Request that the Board of Commissioners of the North Broward Hospital District approve the required actions, as presented, in order to remove the HRSA Grant Condition listed in the August 21, 2017 HRSA Notice of Award for the Healthcare for the Homeless Program.

Jasmin Shirley presented this item. She advised that this is a federal grant that Broward Health has with HRSA which is funded through the HRSA 330 funding of the Public Health Service Act. She stated that some background was provided to the Board with regard to how long Broward Health has been doing business for Healthcare for the Homeless and under this particular grant. Under the 330 funding opportunities, one must adhere to specific problematic requirements of the Public Health Service Act. In particular, there are operational site visits annually for three years and they gauge or assess us on the 19 required problematic options that are under the Public Health Service Act. This past July, CHS had their tri-annual operational site visit which normally coincides with the third year. A report was then formalized and then they are given 60-90 days to send that report. The notice of award is then received for the competing application and we compete for this award every

three years. We did receive the notice of award which had some conditions which would have to be satisfied with an action plan. Of the 19 requirements, there were three that had findings. She outlined the three for the Board. She explained the modifications to the sliding fee scale, the billing and collections policy and procedures and the issues with some Board meetings needing to be rescheduled due to a lack of a quorum and not being rescheduled within the same month. She went on to discuss the plan for the timeline going forward. She added that the grant is for \$2,617,030.

**A motion was made by Commissioner Ure to approve the required actions in order to remove the grant conditions listed in the August 21, 2017 HRSA notice of award for Healthcare for the Homeless Program which would involve the approval of the financial assistance guidelines sliding fee scale discount program as well as the policy on billing and collections and governance compliance, seconded by Commissioner Robison.**

**Motion carried unanimously.**

Commissioner Klein asked Ms. Shirley if she knew what the homeless population is in Broward County. Ms. Shirley indicated there is a point-in-time count which is a broad estimate and conservative but at the last count there was a little more than 3600 individuals. She believes it has doubled since then because that was only looking at people who were in transitional housing, on the street or in programs. There are numbers of people who are cohabiting with other family members in homes who may not be counted. Those who are chronically homeless and on the streets might not all be counted and other persons who, for other reasons go underground, would never be counted. Commissioner Klein also asked if the count is done by the County or the Federal Government. Ms. Shirley responded that it is a collaboration of the county, various cities, community-based organizations that are involved in serving this population and folks within Broward Health's centers as well as the Sheriff's Office.

Chairman Rodriguez pointed out that is very difficult to point out a number due to the variety of cases. Ms. Shirley stated that it is a good "guesstimate" of 3,600 to 6,000 individuals.

Commissioner Ure asked how much the estimate of individuals impacts the grant. He wanted to know if the \$2.6 million is based on some estimate of the homeless population or just on those who actually get served. Ms. Shirley stated that in this competitive circle, there is a finite amount that the government has in the funding stream for this particular program and then you compete for that. Ms. Shirley went on to give the federal government's definition of "housing." Commissioner Klein also asked about the how the numbers are evaluated for the purpose of the sliding scale. Ms. Shirley explained that the definition of homeless has nothing to do with income. The discounts are applied based upon the numbers in a household and that income level and where it falls on the federal poverty level and the family or the individual are offered the discount for care. If the income is below 100% of the federal poverty level, that is a 100% discount. The goal is to get homeless people off the streets or into a suitable housing option. In addition, they need to make sure they have their healthcare because housing translates to health.

Ms. Shirley went on to mention that CHS is having, for their 15<sup>th</sup> year, their Holiday Feast which is the Monday prior to Thanksgiving and they do a large feeding program for all of their clients who come in and are guests on the Specialty Care campus on Broward Blvd. Last year, over 600 people were served. This year their goal is 650 people. She wanted to thank the staff throughout all of the hospitals, community health centers and all the partners they work with who contribute and cook all the food and serve it. She welcomed the Commissioners to join them at the feast. They also offer healthcare if it is even just to take someone's blood pressure. The event is from 11:00am until 2:30pm.

Ms. Shirley also advised that November 1<sup>st</sup> starts the open Enrollment period for the Health Insurance Exchange program. In the past, as a system, Broward Health provided assistance to individuals for this program. More than 22,000 individuals, with Broward Health's assistance, were enrolled into the HIE plans. She mentioned that 90% of the advertising money was cut so many people are unaware about November 1<sup>st</sup> being open enrollment which will end December 15<sup>th</sup>. In previous years it ended either December 31<sup>st</sup> or January 31<sup>st</sup>. However, Broward Health's financial assistance counselors and moped offices at all facilities and community health centers, have certified application counselors on board ready to go for November 1<sup>st</sup>.

8. Request that the Board of Commissioners of the North Broward Hospital District approve the funding to enter into an agreement for the implementation of the Tele-Tracking patient flow system throughout the Broward Health system for a five-year term.

Mr. Santorio presented this item which was a management request for the Board of Commissioners to approve entering into this Agreement which is for a five year term. He indicated it is a real-time visible patient flow device and the only company which offers every platform in one system. They are currently in over 800 hospitals. The identified opportunity for cost savings in revenue enhancement is over ten million dollars annually. The initial cost is \$1.2 million which is mostly hardware and implementation through labor and a \$42,593 per month licensing fee. This will help Broward Health to operate as a system real-time information. This will also allow to have a transfer center in one location which can handle all facilities, cut length of stay, improve flow through Emergency Department as well as offer a case management model to manage patients from the get-go. Most of the team has used the system before. The CEOs at the regional facilities have vetted and reviewed the system and are highly interested in it. Mr. Santorio believes this is the first step to getting Broward Health into the top decile in terms of patient flow and performance.

Mr. Goldsmith added that this is budget neutral over all because he took away from something that was being done with IT to fund this.

Commissioner Ure inquired if the monthly licensing fee starts once it is fully implemented. Mr. Santorio confirmed that was correct and advised that it may take about six months to be implemented and it will be phased by hospital so there is no business interruption in the starting stages.

Commissioner Klein asked if there is also training that is involved with the implementation of the system. Mr. Santorio advised there is no additional cost associated; the training is included in the implementation fee. Commissioner Klein also asked about technical support and whether it operates

on current hardware Broward Health already has. Mr. Santorio indicated it is web-based and it will integrate with Cerner, which is our current electronic health record. The company does offer remote support and on-site support. There are two VPs in the area who have committed to be available for our needs which is also included in the implementation cost.

**Commissioner Klein made a motion to approve the funding to enter into an agreement for the implementation of the Tele-Tracking patient flow system throughout the Broward Health system for a five-year term. Seconded by Commissioner Ure.**

**Motion carried unanimously.**

9. Follow up on staff recommendation regarding Community Care Plan

Mr. Santorio advised that they had committed to come back to the Board with a recommendation regarding CCP and the expansion. Mr. Santorio advised that they did an inter-departmental approach to review the current proposal and the current set-up. At this time, they recommend not moving forward with expanding in any new services or any new lines of business through CCP because they need to take a look at restructuring some of the networks and overall structure prior to moving forward.

Chairman Rodriguez asked whether Mr. Santorio would like the matter tabled or not move forward. Mr. Santorio suggested a motion to support not expanding into new lines of business at this time until they can come back before the Governance Committee to discuss in further detail what any restructuring would look like, then bring it back to the Board

**It was moved by Commissioner Ure to accept Staff's recommendation, seconded by Commissioner Wellins.**

**Motion carried unanimously; however, Commissioner Robison asked that it be noted that she abstained from voting as this is her continuing conflict.**

**COMMENTS BY COMMISSIONERS**

Commissioner Robison wished everyone a Happy Halloween and also mentioned that there are a lot of meetings to get scheduled and to try to get Pam their schedules as soon as possible.

Commissioner Ure mentioned that he had participated in the meetings with Standard & Poor's and Moody's and from his perspective, the staff did a wonderful job in presenting not just a current status of

the system, but a peek into the future. He cannot speak to whether or not it will impact ratings immediately but he is confident it will impact ratings in the long term in a positive way. The feeling he got from both companies was generally positive.

Commissioner Wellins thanked the staff in getting the audit done.

Commissioner Klein just wanted to reiterate his thanks to the staff and fellow Commissioners in accomplishing a lot today. He feels there is a lot of positive momentum, a lot of good progress. The Tele-Tracking patient flow system sounds very positive and he is glad it is being implemented and there are a lot of good programs. He looks forward to continuing the work.

**A motion to adjourn was made by Commissioner Ure, seconded by Commissioner Klein.**

**NEXT REGULAR BOARD MEETING** The next regularly scheduled Board of Commissioners' meeting will be held on November 29, 2017 at 4:00 p.m. at the Broward Health Corporate Office, Spectrum Site, Suite 150, 1700 NW 49 Street, Fort Lauderdale, Florida.

Meeting adjourned at 6:25pm

Respectfully submitted,

Commissioner Linda Robison  
Secretary/Treasurer

By: Pam Hatfield  
Audio tape available upon request.