



NORTH BROWARD HOSPITAL DISTRICT
BOARD OF COMMISSIONERS
FINANCE COMMITTEE MEETING
1700 NW 49th Street, Ste. 150
Fort Lauderdale, FL
APRIL 18, 2018

***MINUTES**

MEETING CALLED TO ORDER: 3:00 pm

COMMITTEE MEMBERS:

- √ Commissioner Klein, Chair
- √ Commissioner Ure
- √ Commissioner Wellins
- √ Commissioner Gregoire

PUBLIC COMMENTS: There were no public comments

APPROVAL OF MINUTES:

1. Commissioner Klein motioned to approve the minutes for January 24, 2018. Motion was seconded by Commissioner Ure.

Motion carried unanimously.

TOPIC OF DISCUSSION:

1. MONTHLY FINANCIALS

CFO, Alan Goldsmith gave a background and overview for the finance report and state of the union with personnel changes. He had just hired Ed Mescos, he will be in charge of our government programs and it is a very important position. He will be looking over our Medicare and Medicaid rates. He will be working with Diana who is in government relations and they will be working as a team and to work with our lobbyists to put strategies in line and that will help us from a financial perspective, from CMS and other things. He comes 20 years of experience from Tenet and he is very well seasoned. He is a CPA and it is

very exciting for him to come work for Broward Health. He will be starting in the next month in a half or 2 because he is finishing up a special project over at Tenet. The next person that was hired was Romaine Lane, she was at the last board meeting but she will be the Associate CFO of Imperial Point and she comes from us from Northshore Tenet. She has over 8 years of experience in the healthcare industry and was just recently a controller and she will bring great insight from the profit world and really help move the needle at Imperial Point. The next position that was opened up, and because its finance, it has to be budget neutral so we have shifted around some of our finance folks but Jodie Helpburn, this is going to be next year's biggest initiative is MOPED which is getting people qualified for Medicaid because it allows them to have healthcare access points within the community. We are working hard at the process to get people qualified and she will be revamping the process, a sixth sigma approach and starting these rev cycles MOR's where each facility has certain KPI's that are going to be benchmarked against industry standards and as a system approach find out why this KPI is down to this KPI from north and medical center and what can we do to leverage the process at Medical Center and bring it to north. There needs to be a systematic approach and in those MOR's it wont be just north, we'll all go together and talk through processes and she will be heading this initiative next year and it's very exciting for her to be part of this team. From a personnel perspective those are the changes that have happened in the department there is some sad news; Ken Warner has decided to retire after 25-30 years and it is effective 6/30. He really helped get through the property tax hearing and he has been a pillar for Broward Health for many years. He has great knowledge of the budget so keeping here as long as possible and then as a lead into the budget what the systems have been doing and its new to Broward, quarterly forecast, q1, 2, 3 and now 4 have not been brought to the finance community because they need to be comfortable with forecasting. The board and finance committee to see where this is going and to be held accountable and governed by a certain time. Q1 was rocky, Q2 was on point and Q3 was even better. So being comfortable enough to bring these forecasts to each finance meeting at the end of each quarter. What's nice about the Q4 forecast is that the volume and the expenses should be very similar to our baseline is starting for next year. the advantage of this Q4 forecast is going to do is to figure out where to put the mileage rate for next year. there will be a good idea of where the baseline is and there can be some of the onetime hits and ongoing expense reductions and kind of a team figure out where to be next year. there was not enough time to bring it to this past board due to time and calendar scheduling but speaking to Commissioner Klein and it will be brought to the next finance committee.

2. MONTHLY REVIEW

CFO, Alan Goldsmith explained that there was another phenomenal month except for one caveat that there was an office settlement from years ago of 1.7 million dollars. The money was used and accrued the compensation for the year. the net loss of 9.4 budgeted for 10.2 which is under a million dollars favorable and about 600,00 better than prior year. as everyone knows in their 401k's and personal accounts, February and march were challenging but it is beginning to come back. if you look on line 17, Broward Health is still up to the budget and from the prior year. there was a big job fair and 150 nurses were hired and around 65% of those nurses are still in orientation so those nurses haven't been used to reduce the overtime. This is just plainly maintaining the weekly calls and making it an initiative. The facilities are working really hard to not use the overtime. COO, Gino Santorio mentioned that the calls went down from weekly to biweekly because the structure has been in and flexing based on volume, making sure the right staff allocated to the right time for supply and demand and putting their attention back on productivity. CFO, Alan Goldsmith explained that Broward Health is constantly making sure that there is appropriate nursing ratios while still being able to get a lower rate of overtime. It is a good way to understand, coming in new, to understand the difficulties that the nursing managers are having and being able to support the

facilities and looking at new strategies to reduce the overtime. 2 ½% is at best practice and that's the time organization that it needs to be. COO, Gino Santorio also stated that overtime starts to go up because it's easier to fill the shifts and then it starts to go up even more and then you run into begging people to come to work and then employees work too much overtime that it causes burnout and human errors. it forces everyone to look at ratios and shifts and you can reduce shifts but it also brings to attention what positions might need to be added to a shift so it improves the quality. There has been a shift in all healthcare industries from inpatient admissions to short stay cases and observations and Broward Health is checking in to why this is happening from a detailed perspective. Commission Wellins asked questions regarding to surgeries being down in percentage and EVP, Gino Santorio explained that in monthly MOR's and reviews surgeries by service line, such as ophthalmology which have migrated ambulatory surgery centers. Plastic surgery is also down significantly and that was done by design and the pricing structure was changed because the margin was not being made. The unintentional business that has migrated out is orthopedic surgeries. The facilities have noticed that 150 cases are down and half of that came during the hurricane and the cases were not rescheduled. Physicians have also migrated out of the market and there is a strategic plan in place to bring in physicians but the other part of surgeries are in the inpatient side and some of them were cases that were unnecessary to be done on an inpatient basis and they were pushed to an outpatient basis. There is a recruitment plan through physician services to bring that number back up. Imperial point is up year to date but north is down and so is medical center so those two hospitals have suffered those most in those particular specialties. The patient flow hasn't changed much so the loss hasn't attributed to it, the main focus through Teletracking launching on August 6th, is on patient flow so we can capture volume that has been caught before on patient flow but there is a net loss of surgeons, the recruitment process is heavily in place. When you look at the on time starts, and look at room turnover times and percent cancelled and same day scheduled, there has not been historically a process at 3 out of our 4 facilities in the OR, currently there are changes being made with the OR's at north, bringing new leadership at Coral Springs, just made the change a month ago. Teletracking will help put the transport times to and from the OR, and then there is systems that Broward Health already has, and if you tour the hospitals now, there is still utilization from whiteboards which is not the best use of the technology that is already owned. 6 sigma black belts go down to medical center a month ago and do a process flow lien review to see what the issues are and to come up with a plan to improve it there and some of the physicians are still using paper when there is an EMNR so when it doesn't integrate that adds on time, need to get the consents down before bringing down the patients which means the patient gets bumped so there are a few simple things that can be accomplished to fix the OR efficiency and its being tackled now. Once Teletracking is launched there will be reports on status updates from patients. August 6th is the start date of the patient logistics center which is the main hub for Teletracking which will be in the ISC building that is across at Medical Center. The week after is when it gets rolled out at Medical Center first because all of the services will be available, so if you have to roll it out to Imperial Point and it needs to get transferred to Medical Center it will already be set up. Alan and Gino will be monitoring this process and then the CEO's and the incentives will be aligned. Going to rough in the beginning but as you work through the process the people will really buy into it. Financial indicators, cash on hands in 220 days, investments for the year and the operating expenses that have reduced and the capital has been reduced from a spend perspective and that was to help with the culture and what would be best for the system. Capital spend is at 149% and that is purposely, excess margins at 3.1%, need to be at a 5/6 and climbing to the margins that Broward Health needs to be at. There is a nice story to tell, the past 3 years were rough but the past year is a nice story tell in an operating system and system turnaround.

MOTION:

Commissioner Klein made a motion to recommend to the full board to accept the interim financials to be placed on the consent agenda.

Motion carried unanimously.

MEETING ADJOURNMENT: Commissioner Klein motioned to adjourn. Motion was seconded by Commissioner Wellins.

Motion was carried unanimously.

AUTHENTICATION OF MINUTES: Ariella Vega, Senior Executive Assistant.

*Audio tapes provided upon request