

**TARRANT COUNTY HOSPITAL DISTRICT (TCHD)  
d/b/a JPS HEALTH NETWORK**

**1500 S. MAIN STREET  
FORT WORTH, TX 76104  
OUTPATIENT BUILDING, 3<sup>rd</sup> FLOOR AUDITORIUMS**

**JOINT BOARD OF MANAGERS AND FINANCE COMMITTEE MEETING  
10:00 A.M. THURSDAY, JULY 26, 2018**

**MEETING MINUTES**

The Tarrant County Hospital District ("District") Board of Managers and Finance Committee met at 10:00 a.m. Thursday, July 26, 2018 on the 3<sup>rd</sup> Floor, Outpatient Clinic Auditoriums, John Peter Smith Hospital, 1500 South Main Street, Fort Worth, Texas, 76104, with the following Board/Committee members present:

Steve Montgomery, Committee Chair  
Charles Powell, Board Chair  
Charles Webber, M.D., Board Vice-Chair  
Trent Petty, Past Board Chair  
D.T. Nguyen, Board Secretary  
Dorothy DeBose  
Warren Norred  
Daniel Ziegler, M.D.

Members Absent: Rev. Ralph Emerson, Immediate Past Board Chair

Others Attending: Bill Whitman, Senior Executive Vice President, Chief Operating Officer  
Sharon Clark, Senior Executive Vice President, Chief Financial Officer  
Scott Rule, Vice President, Chief of Staff  
Chet Schrader, M.D., Medical Staff President  
Michael Hochberg, M.D., President, Chief Medical Officer, Acclaim  
Timothy Kremer, M.D., Senior Vice President, Chief Medical Officer  
Zelia Baugh, Executive Vice President, Behavioral Health Administrator  
Melinda Costin, Senior Vice President, Chief Information Officer  
David Mendenhall, Vice President, Chief Technology Officer  
Karen Duncan, M.D., Executive Vice President, Community Health  
Kathleen Whelan, Vice President, Network Operations  
Pia Walker, Senior Vice President, Human Resources  
Michelle Green-Ford, Interim Vice President, Diversity and Inclusion  
Lara Burnside, Senior Vice President, Chief Patient Experience Officer  
J.R. Labbe, Vice President, Communications and Community Affairs  
Jaime Pillai, Vice President, Support Services  
Tricia Elliott, M.D., Vice President, Academic Affairs  
Ron Skillens, Senior Vice President, Enterprise Risk Management, CCO  
Diana Singer, Director, Academic Affairs  
Allan Graves, General Counsel  
Lee Ann Gilly, Executive Assistant

Guests Attending: Jeni McGarry, Precinct 2 Administrator, Tarrant County Commissioners Court

Chandler Merritt, Chief of Staff, County Judge, Tarrant County  
Dennis Killy

**I. CALL TO ORDER**

Steve Montgomery called the July 26, 2018 TCHD Finance Committee meeting to order at 10:05 a.m. Members present represented a quorum to conduct Committee business.

**II. CITIZENS WISHING TO ADDRESS THE COMMITTEE**

There were no citizens present wishing to address the Finance Committee.

**III. MINUTES**

Mr. Montgomery asked the Committee to review minutes from the June 26, 2018, Tarrant County Hospital District Joint Board of Managers and Finance Committee meeting and called for a motion. D.T. Nguyen made a motion for approval; motion was seconded by Charlie Powell and carried unanimously.

**IV. CFO REPORT**

Sharon Clark communicated to the Committee that the quarterly First Southwest/Hilltop Investment Report Summary ending June 30, 2018 has been uploaded to the board portal.

Ms. Clark reported to the Committee the JPS Projected Fourth Quarter Results, Acclaim Projected Fourth Quarter Results and information regarding the JPS and Acclaim Budget 2019.

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

**A. Consider Acceptance of June 2018 Unaudited Financial Report**

Ms. Clark presented the Unaudited Financial Report for June 2018.

**Hospital:**

Inpatient Admissions were on budget for the month. Patient Days were over budget by 11% for June. Patient Acuity, measured by Case Mix Index, was below budget slightly by 2%. Length of Stay was 11% above budget for the month.

Outpatient Emergency Department visits were below budget slightly by 3%. Urgent Care Visits were unfavorable by 9% compared to budget. Primary Care visits were unfavorable by 3%, while Specialty Care Clinic visits approximated budget. Year-to-date, total Clinic visits are 3% over budget.

Observation Days were 6% below budget for the month. Invasive Lab Cases were favorable by 13% compared to budget and continue to trend up for the past three months. Inpatient Surgeries were 4% below budget and Outpatient Surgeries were 3% unfavorable for the month compared to budget.

Psychiatric Patient Days were favorable by 4% compared to budget. Psychiatric Clinic Visits continue to trend the same for last quarter. Psychiatric Emergency Visits were under budget by 12%. Psychiatric Partial Hospitalization Days were unfavorable by 4% this month compared to budget.

FTE's per Adjusted Patient Day were favorable at 5.61 compared to end-of-year target of 5.80. Days Cash on Hand Available for Operations was 210 days. Total Days Cash on Hand was 257 days. Net Account Receivable Days were 49 for the month.

JPS Connection enrollment increased by 361 enrollees during May bringing a year-to-date total enrollment to 38,800.

Net Patient Service Revenue was favorable to budget by 7%, due to the UHRIP Program providing additional revenues through the Medicaid Managed Care Program.

Salaries were unfavorable by 2% due to staffing for inpatient volumes. Benefits were unfavorable by 13% for the month primarily in the employee health expense due to higher use by employees and their dependents.

Supplies were favorable by 7% compared to budget. Other Operating Expenses were favorable by 8% for the month.

Purchased Services were unfavorable by 6% compared to budget, due to changes in the Intergovernmental Transfer (IGT) process and IGT payments associated with the UHRIP program.

For the month, Loss from Operations was \$26,000 compared to a budgeted Loss from Operations of \$269,000. Year-to-date Income from Operations was \$1.1 million compared to a budgeted \$2.7 million. Net Income was \$10 million to date.

Acclaim:

Physician billed encounters were unfavorable by 13% compared to budget due to multiple vacant provider positions in Family Medicine, Dermatology, Psychiatry, Neurology and ENT. The Net Operating Expense per Encounter was unfavorable this month compared to budget, however, year-to-date is 2% favorable.

Net Patient Revenue was unfavorable by 16% primarily due to the low patient volume and provider vacancies and surgeon onboarding.

Salaries were favorable by 8%, primarily due to provider and staff vacancies. Benefits were favorable by 24% compared to budget due to open positions. Net Salaries and related expenses were favorable by 10% compared to budget.

Other Operating Expenses for the month were favorable by 52% primarily due to the timing of recruiting expense as candidates are identified and the timing of medical education for physicians.

Purchased Services were 21% above budget as surgeons are contracted as opposed to employment.

For the month, Acclaim's financial statements reflected a \$651,000 Loss from Operations compared to a budgeted loss of \$654,000. Year-to-date, the Loss from Operations continues to stay on target with budget at \$10.1 million.

There being no further questions or discussion, Mr. Montgomery called for a motion to accept the June 2018 Unaudited Financial Report. Mr. Nguyen made a motion for approval; motion was seconded by Mr. Powell as presented and carried unanimously.

- B. Consider Approval of Annual Contribution of \$17,304,696 to JPS Pension Plan for Plan Year October 1, 2017 to September 30, 2018 and Amendment to the JPS Pension Plan.

Mr. Montgomery announced that item V. B. will be moved to closed session.

- C. Consider Approval of Annual Contribution of \$64,854 to Tarrant County Hospital District Governmental Excess Benefit Arrangement (GEBA) for the Plan Year October 1, 2017 to September 30, 2018 and Amendment to the TCHD Governmental Excess Benefit Arrangement and Resolution Authorizing the Amendment of the JPS Pension Plan and Appointment of GEBA Participants.

Mr. Montgomery announced that item VI.C. will be moved to closed session.

- D. Consider Approval of Proposed Fourth Modification to Office Lease Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Andrews-Dillingham Properties, Ltd.

Scott Rule presented the Proposed Fourth Modification to Office Lease Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Andrews-Dillingham Properties, Ltd. to the Committee for consideration. Approval of this agreement will provide a lease extension for the facility located at 501 W. Main St., Arlington, TX.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed Fourth Modification to Office Lease Agreement between Tarrant County Hospital District d/b/a JPS Health Network and Andrews-Dillingham Properties, Ltd. Mr. Nguyen made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

- E. Consider Approval of Proposed First Amendment to Employee Pharmacy Benefit Management Services Agreement between Tarrant County Hospital District d/b/a JPS Health Network and MaxorPlus, Ltd.

Pia Walker presented the Proposed First Amendment to Employee Pharmacy Benefit Management Services Agreement between Tarrant County Hospital District d/b/a JPS Health Network and MaxorPlus, Ltd. Agreement of this approval will allow continued pharmacy benefits for JPS team members.

There being no further questions or discussions, Mr. Montgomery called for a motion to approve the Proposed First Amendment to Employee Pharmacy Benefit Management Services Agreement between Tarrant County Hospital District d/b/a JPS Health Network and MaxorPlus, Ltd. Trent Petty made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

- F. Consider Approval of Proposed Agreement between Tarrant County Hospital District d/b/a JPS Health Network and ThyssenKrupp Elevator Corporation regarding elevator modernization construction and related services for TCHD's elevators located in the JPS Hospital Parking Garage

Jaime Pillai presented the Proposed Agreement between Tarrant County Hospital District d/b/a JPS Health Network and ThyssenKrupp Elevator Corporation to the Committee for consideration. Approval of this agreement will provide modernization construction and related services for the TCHD's elevators located in the JPS Hospital Parking Garage.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed Agreement between Tarrant County Hospital District d/b/a JPS Health Network and ThyssenKrupp Elevator Corporation. Mr. Nguyen made a motion for approval; motion was seconded by Mr. Powell as presented and carried unanimously.

- G. Consider approval of Proposed GMA Formula Funding Agreement between Tarrant County Hospital District d/b/a JPS Health Network and University of North Texas Health Science Center

Tricia Elliott, MD., presented Proposed GMA Formula Funding Agreement between Tarrant County Hospital District d/b/a JPS Health Network and University of North Texas Health Science Center to the Committee for consideration. Approval of this agreement will provide funds to offset costs related to the teaching of medical resident students for the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed GMA Formula Funding Agreement between Tarrant County Hospital District d/b/a JPS Health Network and University of North Texas Health Center. Mr. Powell made a motion for approval; motion was seconded by Ms. DeBose as presented. Mr. Nguyen abstained.

- H. Consider Approval of Proposed First Amendment to Medical Education Affiliation Agreement between Tarrant County Hospital d/b/a JPS Health Network and Acclaim Physician Group, Inc.

Dr. Elliott presented the Proposed First Amendment to Medical Education Affiliation between Tarrant County Hospital District d/b/a JPS Health Network and Acclaim Physician Group, Inc. to the Committee for consideration. Approval of this agreement will provide programmatic support for our residency programs within the JPS Health Network.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed First Amendment to Medical Education Affiliation Agreement between Tarrant County d/b/a JPS Health Network and Acclaim Physician Group, Inc. Ms. DeBose made a motion for approval; motion was seconded by Dr. Webber as presented and carried unanimously.

**VI. REPORT OF LEGAL COUNSEL AND/OR LEGAL MATTERS REQUIRING DISCUSSION(S), UPDATE(S), DELIBERATION(S), ACTION(S) AND/OR APPROVAL**

Allan Graves announced the monthly report listing 24 contracts negotiated under \$200,000 and five contracts between \$200,000 and \$500,000. This report has been posted to the board portal.

**VII. RECONVENE IN EXECUTIVE SESSION PURSUANT TO CHAPTER 551, TEXAS GOVERNMENT CODE FOR THE FOLLOWING:**

The Committee reconvened in Executive Session at 10:50 a.m.

**VIII. RECONVENE IN OPEN SESSION FOR DELIBERATION(S) AND/OR ACTION(S) DEEMED NECESSARY REGARDING ANY MATTER LISTED ON THE CLOSED SESSION AGENDA.**

The Committee reconvened in Open Session at 11:23 a.m. with the following recommendations:

Consider Approval of Annual Contribution of \$17,304,696 to JPS Pension Plan for Plan Year October 1, 2017 to September 30, 2018 and the Amendment to the JPS Pension Plan.

Ms. Clark presented the Annual Contribution of \$17,304, 696 to JPS Pension Plan for Plan Year October 1, 2017 to September 30, 2018 and Amendment to the JPS Pension Plan to the Committee for consideration. Approval of this contribution will fund the employee pension plan.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Annual Contribution of \$17,304,696 to JPS Pension Plan for Plan Year October 1, 2017 to September 30, 2018 and the Amendment to the JPS Pension Plan. Mr. Powell made a motion for approval and the motion was seconded by Mr. Nguyen as presented. The motion was approved with six voting yes and Ms. DeBose abstaining.

Consider Approval of Annual Contribution of \$64,854 to Tarrant County Hospital District Governmental Excess Benefit Arrangement (GEBA) for the Plan Year October 1, 2017 to September 30, 2018 and Amendment to the TCHD Governmental Excess Benefit Arrangement and Resolution Authorizing the Amendment of the JPS Pension Plan and Appointment of GEBA Participants.

Ms. Clark presented the Annual Contribution of \$64,854 to Tarrant County Hospital District Governmental Excess Benefit Arrangement (GEBA) for the Plan Year October 1, 2017 to September 30, 2018 and the Amendment to the TCHD Governmental Excess Benefit Arrangement and Resolution Authorizing the Amendment of the JPS Pension Plan and Appointment of GEBA Participants.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Annual Contribution of \$64,854 to Tarrant County Hospital District Governmental Excess Benefit Arrangement (GEBA) for the Plan Year October 1, 2017 to September 30, 2018 and Amendment to the TCHD Governmental Excess Benefit Arrangement and Resolution Authorizing the Amendment of the JPS Pension Plan and Appointment of GEBA Participants. Mr. Powell made a motion for approval and the motion was seconded by Mr. Petty. The motion was approved by six voting yes and Ms. DeBose abstaining.

**IX. ADJOURN**

There being no further business of the TCHD Joint Board of Managers and Finance Committee meeting was adjourned at 11:29 a.m.

  
\_\_\_\_\_  
Steve Montgomery, Board

8/23/18  
\_\_\_\_\_  
Date