

**TARRANT COUNTY HOSPITAL DISTRICT (TCHD)  
d/b/a/ JPS HEALTH NETWORK  
JOINT BOARD OF MANAGERS AND FINANCE COMMITTEE MEETING  
Thursday, March 23, 2017**

**Meeting Minutes**

The Tarrant County Hospital District ("District") Board of Managers and Finance Committee met 10:00 a.m. Thursday, March 23, 2017 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 members present:

Steve Montgomery, Committee Chair  
Charles Webber, M.D., Board Vice-Chair  
Trent Petty, Immediate Past Board Chair  
Dorothy DeBose, Member  
Chet Schrader, M.D., Member

Members Absent: Charles Powell, Board Chair  
D.T. Nguyen, Board Secretary  
Rev. Ralph Emerson, Member  
Warren Norred, Member  
Daniel Ziegler, M.D., Member  
Daniel Casey, M.D., Member  
Scott Kayser, M.D., Member

Others Attending: Robert Earley, President, Chief Executive Officer  
Bill Whitman, Executive Vice President, Chief Operating Officer  
Sharon Clark, Executive Vice President, Chief Financial Officer  
Kade Rutherford, Executive Director, Revenue Cycle  
Jeanna Adler, Vice President, Finance  
Joe Velasquez, Director, Supply Chain  
Frank Rosinia, M.D., Executive Vice President, Chief Quality Officer  
Madhura Chandak, Executive Director, Clinical Integration  
James Johnson, M.D., President, Acclaim Physician Group  
Wanda Peebles, Senior Vice President, Chief Nursing Officer  
Melinda Costin, Senior Vice President, Chief Information Officer  
Scott Rule, Vice President, Chief of Staff  
Tricia Elliott, Vice President, Academic Affairs  
Pia Walker, Interim Vice President, Human Resources  
J.R. Labbe, Vice President, Communications and Community Affairs  
Merianne Roth, Vice President, Chief Strategy Officer  
Lara Burnside, Vice President, Chief Patient Experience Officer  
Nydia Gonzalez, Vice President, Diversity and Inclusion, Chief Diversity Officer  
Michelle Green-Ford, Director, Diversity and Inclusion  
Jaime Pillai, Vice President, Operations Support Service  
Arthur Elgin, Executive Director, Facilities Management and Plant Operations  
John Hayen, Director Assistant, Police Chief  
Neal Adams, General Counsel  
Clarie Cressey, Executive Assistant

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

**I. CALL TO ORDER**

Steve Montgomery called the March 23, 2017 TCHD Joint Board of Managers and Finance Committee meeting to order at 10:13 a.m. Members present represented a quorum to conduct committee business.

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

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

**III. MINUTES**

Mr. Montgomery asked the Committee to review minutes from the February 23, 2017 Tarrant County Hospital District Joint Board of Managers and Finance Committee meeting and called for a motion. Dorothy DeBose made a motion for approval; motion was seconded by Charles Webber, M.D., and carried unanimously.

**IV. CFO REPORT**

Sharon Clark reported that the Request for Proposals for the FY2017 external audit was concluded on March 7, 2017. The proposals will be reviewed and presented to the Committee for approval in the near future.

Ms. Clark updated the Committee on Change Healthcare Solutions and Med-Data eligibility and enrollment contracts. There was a review meeting held on March 20, 2017. Participants included: Steve Montgomery, Dorothy DeBose, D.T. Nguyen, and Ms. Clark. The contracts were on the March 9, 2017 Board of Managers Consent Agenda, items XI. G. and H., and were approved contingent on an opportunity to confer with General Counsel before execution of the contracts. The review resulted in several modifications to the contracts and both contracts were approved to move forward.

**V. MATTERS THAT MAY REQUIRE BOARD ACTION**

**A. Consider Archival of LD 700 Tax Increment Financing Participation Policy**

Neal Adams presented the Archival of LD 700 Tax Increment Financing Participation Policy to the Committee for consideration.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Archival of LD 700 Tax Increment Financing Participation Policy. Trent Petty made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

## VI. MATTERS THAT REQUIRE DISCUSSION AND REQUIRING BOARD ACTION

### A. Consider Acceptance of February 2017 Unaudited Financial Report

Ms. Clark presented the Unaudited Financial Report for February 2017.

#### Hospital:

Inpatient volumes were favorable for the month. Inpatient Admissions and Patient Days were favorable by 2% compared to budget. Case Mix was unfavorable by 2% compared to budget. Length of Stay was unfavorable by 3% compared to budget.

Emergency Department Visits were favorable by 17% compared to the budget with over 10,000 visits for the month of February. Urgent Care Visits were favorable by 6% and reflected 5,270 visits. Clinic Visits were favorable by 1% compared to budget and Outpatient Visits were favorable by 2% compared to budget.

Observation Days were slightly unfavorable compared to budget. Invasive Lab continues to be favorable reflecting a 9% overage compared to budget for the month. Inpatient Surgeries were unfavorable by 3% compared to budget and Outpatient Surgeries were on target compared to budget.

Psychiatric Patient Days were unfavorable by 2% compared to budget. Psychiatric Clinic Visits continue to trend favorably and were favorable by 19% compared to budget for the month. Psychiatric Emergency Visits were unfavorable by 13% compared to budget. Psychiatric Partial Hospitalization Days were unfavorable by 18% compared to budget.

Total FTEs per Adjusted Patient Day was favorable at 5.93 compared to a budgeted 5.96. Days Cash on Hand was at 331 days reflective of Disproportionate Share Hospital receipts and the first of the year ad valorem tax revenue. Net Account Receivable Days were at 52. Payor Mix remained constant.

JPS Connection increased by 1,200 enrollments with a total of 38,416 enrollments.

Net patient service revenue was favorable by \$1.8 million compared to budget. Higher volumes reflected \$300,000 of the overage and \$1.5 million was because 2% of total revenue moved from self-pay to Medicare and commercial business.

Uncompensated Care continues to show unfavorable by \$833,000 compared to budget to compensate for the projected annual \$10 million FY2017 shortfall.

Other operating revenue was favorable by \$513,000 compared to budget because of additional Ryan White and Morris Foundation grant funds.

Salaries and related expenses were unfavorable compared to budget by 1.3% because of the increased patient care for the month. Other operating expenses were unfavorable compared to budget by \$203,000 because of increased utility usage.

Income from operations was \$2 million compared to a budgeted \$1.2 million.

Year-to-date Income from operations was unfavorable by \$2.3 million compared to the budget.

Acclaim:

Physician encounters were unfavorable by 10% compared to the budget. This was because of open positions for specialty physicians who are actively being recruited. The physician chart was reviewed showing a breakdown of all physicians in each specialty area.

Acclaim's financial statements reflected a \$1.5 million loss from operations compared to a budgeted \$704,000 loss from operations.

Net patient service revenue was unfavorable by \$500,000 compared to budget. This was partially because of unfilled positions and because the monthly budget was spread evenly throughout the year and February had less days.

Salaries and related expenses were unfavorable compared to budget by \$101,000 because of necessary physician coverage for unfilled positions. Purchased services were unfavorable compared to budget by \$199,000 because of the timing of payment on some contracted services and legal invoices. In addition, there was an unanticipated Fort Worth Perinatal contract in the amount of \$125,000, which was offset with net patient service revenue.

The combined income statements were reviewed and include the JPS Health Network, Acclaim Physician Group and the JPS Foundation. FY2017 income loss from operations was at \$3.7 million.

There being no further questions or discussion, Mr. Montgomery called for a motion to accept the February 2017 Unaudited Financial Report. Dr. Webber made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

B. Consider Approval of Second Amendment to the eScan Software License Agreement between TransUnion Healthcare, Inc. formerly eScan Data Systems, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Clark presented the Second Amendment to the eScan Software License Agreement between TransUnion Healthcare, Inc. formerly eScan Data Systems, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this amendment will increase collections of self-pay patient accounts by discovering third party coverage.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Second Amendment to the eScan Software License Agreement between TransUnion Healthcare, Inc. formerly eScan Data Systems, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Ms. DeBose made a motion for approval; motion was seconded by Dr. Webber as presented and carried unanimously.

C. Consider Approval of Continuing Medical Education Service Agreement between Tarrant County Hospital District d/b/a JPS Health Network and The University of North Texas Health Science Center at Fort Worth

Frank Rosinia presented the Continuing Medical Education Service Agreement between Tarrant County Hospital District d/b/a JPS Health Network and The University of North Texas Health Science Center at Fort Worth to the Committee for consideration. Approval of this Agreement will provide a continuing medical education program to meet physician accreditation requirements.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Continuing Medical Education Service Agreement between Tarrant County Hospital District d/b/a JPS Health Network and The University of North Texas Health Science Center at Fort Worth. Dr. Webber made a motion for approval; motion was seconded by Mr. Petty as presented and carried unanimously.

D. Consider Approval of Amendment to Original Agreement and Subsequent Addenda between UpToDate, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Madhura Chandak presented the Amendment to Original Agreement and Subsequent Addenda between UpToDate, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this amendment will provide an internet-based clinical decision support tool and because the need has increased, it will allow for additional users.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Amendment to Original Agreement and Subsequent Addenda between UpToDate, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Petty made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

E. Consider Approval of Second Amendment to Professional Services Agreement (Radiology) between Tarrant County Indigent Care Corporation and Radiology Associates of North Texas, P.A.

Bill Whitman presented the Second Amendment to Professional Services Agreement (Radiology) between Tarrant County Indigent Care Corporation and Radiology Associates of North Texas, P.A. to the Committee for consideration. Approval of this amendment will provide two radiology physician assistants to perform services at JPS Health Network.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Second Amendment to Professional Services Agreement (Radiology) between Tarrant County Indigent Care Corporation and Radiology Associates of North Texas, P.A. Ms. DeBose made a motion for approval; motion was seconded by Mr. Petty as presented and carried unanimously.

F. Consider Approval of On-Site Correctional Health Dialysis Services Agreement between Tarrant County Hospital District d/b/a JPS Health Network and RPNT Acute Services, Inc.

Mr. Whitman presented the On-Site Correctional Health Dialysis Services Agreement between Tarrant County Hospital District d/b/a JPS Health Network and RPNT Acute Services, Inc. to the Committee for consideration. Approval of this agreement will provide ambulatory dialysis to the inmate population located at the Tarrant County Jail system.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the On-Site Correctional Health Dialysis Services Agreement between Tarrant County Hospital District d/b/a JPS Health Network and RPNT Acute Services, Inc. Mr. Petty made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

G. Consider Approval of Purchase Agreement between Arthrex, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Wanda Peebles presented the Purchase Agreement between Arthrex, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will provide podiatry implants from dual source vendors.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Purchase Agreement between Arthrex, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Petty made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

H. Consider Approval of Purchase Agreement between Zimmer US, Inc. and Biomet, Inc. (together "Vendor") and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Peebles presented the Purchase Agreement between Zimmer US, Inc. and Biomet, Inc. (together "Vendor") and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will provide podiatry implants from dual source vendors.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Purchase Agreement between Zimmer US, Inc. and Biomet, Inc. (together "Vendor") and Tarrant County Hospital District d/b/a JPS Health Network. Ms. DeBose made a motion for approval; motion was seconded by Mr. Petty as presented and carried unanimously.

I. Consider Approval of Addendum to Quotation (PR4-C64929) between Tarrant County Hospital District d/b/a JPS Health Network and GE Medical Systems Information Technologies, a General Electric Company

Ms. Peebles presented the Addendum to Quotation (PR4-C64929) between Tarrant County Hospital District d/b/a JPS Health Network and GE Medical Systems Information Technologies, a General Electric Company to the Committee for consideration. Approval of this addendum will replace monitors within the Post Anesthesia Care Unit and will be consistent with the monitors within the Emergency Department and Intensive Care Unit.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Addendum to Quotation (PR4-C64929) between Tarrant County Hospital District d/b/a JPS Health Network and GE Medical Systems Information Technologies, a General Electric Company. Ms. DeBose made a motion for approval; motion was seconded by Chet Schrader, M.D., as presented and carried unanimously.

J. Consider Approval of Maintenance Services Agreement between Marshall Marketing Services, Inc. d/b/a EMC Integrated Systems Group, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Jaime Pillai presented the Maintenance Services Agreement between Marshall Marketing Services, Inc. d/b/a EMC Integrated Systems Group, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will continue the maintenance and support of the District's security systems.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Maintenance Services Agreement between Marshall Marketing Services, Inc. d/b/a EMC Integrated Systems Group, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Ms. DeBose made a motion for approval; motion was seconded by Dr. Schrader as presented and carried unanimously.

K. Consider Approval of Purchase Agreement between Your Pest Control Company, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Mr. Pillai presented the Purchase Agreement between Your Pest Control Company, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will continue the pest control service to the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Purchase Agreement between Your Pest Control Company, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Petty made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

L. Consider Approval of Contract and Terms of Sale for Philips Mobile Diagnostic Products between Tarrant County Hospital District d/b/a JPS Health Network and Philips Healthcare, a division of Philips Electronics North America Corporation

Mr. Whitman presented the Contract and Terms of Sale for Philips Mobile Diagnostic Products between Tarrant County Hospital District d/b/a JPS Health Network and Philips Healthcare, a division of Philips Electronics North America Corporation to the Committee for consideration. Approval of this contract will provide a digital radiographic room at the Tarrant County Jail.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Contract and Terms of Sale for Philips Mobile Diagnostic Products between Tarrant County Hospital District d/b/a JPS Health Network and Philips Healthcare, a division

of Philips Electronics North America Corporation. Ms. DeBose made a motion for approval; motion was seconded by Dr. Webber as presented and carried unanimously.

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

Neal Adams announced the monthly report listing 22 contracts under \$200,000 was posted to the board portal.

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

There were no items for executive session.

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

**X. ADJOURN**

There being no further business of the TCHD Joint Board of Managers and Finance Committee meeting was adjourned at 10:59 a.m.



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

6 / 1 / 17

\_\_\_\_\_  
Date