

**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, JUNE 28, 2018**

**MEETING MINUTES**

The Tarrant County Hospital District ("District") Board of Managers and Finance Committee met 10:00 a.m. Thursday, June 28, 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  
Daniel Ziegler, M.D.  
Warren Norred  
Roger Fisher

**Members Absent:** Rev. Ralph Emerson, Immediate Past Board Chair  
Trent Petty, Past Board Chair  
D.T. Nguyen, Board Secretary  
Dorothy DeBose, Board Member

**Others Attending:** Robert Earley, President, Chief Executive Officer  
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  
Dianna Prachyl, Senior Vice President, Chief Operating Officer, Acclaim  
Wanda Peebles, Executive Vice President, Chief Nursing Officer  
Melinda Costin, Senior Vice President, Chief Information Officer  
Kelli Ford, Director, Managed Care  
David Mendenhall, Vice President, Chief Technology Officer  
Michelle Atkins, Director, Internal Audit  
Ammie Harris, Executive Director, Contract Administration  
Karen Duncan, M.D., Executive Vice President, Community Health  
Kathleen Whelan, Vice President, Clinical and Professional 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  
Ben Scott, Executive Director, Controller, Finance  
Suzanne Fleming, Executive Director, Financial Strategy  
Julian Orozco, Healthcare Administrative Fellow  
Allison Clark, Healthcare Administrative Intern  
Eric Hamscher, Healthcare Administrative Intern  
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

**I. CALL TO ORDER**

Steve Montgomery called the June 28, 2018 TCHD Finance Committee meeting to order at 10:07 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 May 24, 2018, Tarrant County Hospital District Joint Board of Managers and Finance Committee meeting and called for a motion. Charles Webber, M.D., 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 S&P annual report has been posted to the board portal and Fiscal year 2019 budget process has begun. Ms. Clark reminded the Committee that the certified tax rolls will be available towards the end of July.

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

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

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

**Hospital:**

Inpatient Admissions were up by 1% this month, significantly up from last month. Patient Days were over budget by 9% for May. Patient Acuity, measured by Case Mix Index was above budget slightly by 1%. Length of Stay was steady at 14% above budget for the month.

Outpatient Emergency Department visits were on target this month with budget, increasing by 7% from the prior month. Urgent Care Visits was unfavorable by 7% but had a 6% increase from prior month. Primary Care visits were on target this month with budget, while Specialty



Care Clinic visits were unfavorable by 7% for the month. Year-to-date, total Clinic visits are 2.5% over-budget.

Observation Days were 6% below budget for the month. Invasive Lab Cases were favorable by 12% compared to budget, with May being the second highest month compared to March. Inpatient Surgeries were 1% below budget and Outpatient Surgeries were 6% unfavorable for the month, but reporting the strongest numbers for this fiscal year.

Psychiatric Patient Days were favorable by 4% compared to budget. Psychiatric Clinic Visits continue to trend under budget but came in higher than prior month. Psychiatric Emergency Visits were under budget by 8%. Psychiatric Partial Hospitalization Days were unfavorable this month but continue to be at the same level as April.

FTE's per Adjusted Patient Day were favorable at 5.64 compared to end-of-year target of 5.80. Days Cash on Hand Available for Operations was 226 days. Total Days Cash on Hand was 272 days. Net Account Receivable Days were 49 for the month.

JPS Connection enrollment increased by 271 enrollees during May bringing a year-to-date total enrollment to 38,439.

Net Patient Service Revenue was favorable to budget by 11%, due to the UHRIP Program providing additional revenues through the Medicaid Managed Care Program.

Salaries were unfavorable by 4% due to staffing for inpatient volumes. Benefits were unfavorable by 4% for the month primarily in the employee health expense due to higher use by employees and their dependents.

Supplies were favorable by 3% compared to budget. Other Operating Expenses were favorable by 8% for the month.

Purchased Services were unfavorable by 11% compared to budget, due to changes in the Intergovernmental Transfer (IGT) process and IGT payments associated with the UHRIP program.

For the month, Income from Operations was \$160,000 compared to a budgeted Income from Operations of \$115,000. Year-to-date Income from Operations was \$1.1 million compared to a budgeted \$3.0 million. Net Income was \$8.6 million to date.

Acclaim:

Physician billed encounters were unfavorable by 8% compared to budget due to multiple vacant provider positions in Family Medicine, Dermatology, Psychiatry, Neurology and ENT. The Net Operating Expense per Encounter was favorable this month by 7% compared to budget.

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

Salaries were favorable by 12%, primarily due to provider and staff vacancies. Benefits were favorable by 13% compared to budget due to open positions. Net Salaries and related expenses were favorable by 11% compared to budget.

Other Operating Expenses for the month were favorable by 34% primarily due to the timing of recruiting expense as candidates are identified and lower medical education for physicians.

Purchased Services were 19% above budget as surgeons are converted from contract to Acclaim staff.

For the month, Acclaim's financial statements reflected a \$1.49 million Loss from Operations compared to a budgeted loss of \$1.5 million. Year-to-date, the Loss from Operations continues to stay on target with budget at \$9.5 million.

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

B. Consider Approval of Provider Network of America Participating Facility Agreement between Provider Network of America, LLC and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Clark presented Provider Network of America Participating Facility Agreement between Provider Network of America, LLC and Tarrant County Hospital District d/b/a/ JPS Health Network to the Committee for consideration. Approval of this agreement will allow members to access care at JPS as an in-network facility.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve Provider Network of America Participating Facility Agreement between Provider Network of America, LLC and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval; motion was seconded by Mr. Powell as presented and carried unanimously.

C. Consider Approval of Proposed Interlocal Cooperation Agreement between White Settlement Independent School District (WISD) and Tarrant County Hospital District d/b/a JPS Health Network

Dr. Karen Duncan presented the Proposed Interlocal Cooperation Agreement between White Settlement Independent School District (WISD) and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow uninterrupted care for patients and families at our existing School Based Health Center within the White Settlement Independent School District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed Interlocal Cooperation Agreement between White Settlement Independent School District (WISD) and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Powell made a motion for approval; motion was seconded by Dr. Webber as presented and carried unanimously.



D. Consider Approval of Proposed Contract Quotation No. 1-1T4XVNP and related Philips Healthcare Service Agreement Terms and Contracts between Philips Healthcare, a division of Philips North America, LLC and Tarrant County Hospital District d/b/a JPS Health Network

Kathleen Whelan presented the Proposed Contract Quotation No. 1-1T4XVNP and related Philips Healthcare Service Agreement between Philips Healthcare, a division of Philips North America, LLC and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will provide increased access and newer technology for patient care for the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed Contract Quotation No. 1-1T4XVNP and related Philips Healthcare Service Agreement between Philips Healthcare, a division of Philips North America, LLC and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval; motion was seconded by Mr. Powell as presented and carried unanimously.

E. Consider Approval of Proposed Contract Quotation No 1-MJSVQY Rev. 1 between Siemens Medical Solutions USA, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Whelan presented the Proposed Contract Quotation No. 1-MJSVQY Rev. 1 between Siemens Medical Solutions USA, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will provide a second angiography room for the Invasive Lab which will increase capacity and access for patient care for Tarrant County residents.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed Contract Quotation No 1-MJSVQY Rev. 1 between Siemens Medical Solutions USA, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Webber made a motion for approval; motion was seconded by Roger Fisher as presented and carried unanimously.

F. Consider approval of Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g)(1) regarding an exception to competitive bidding for purchase of goods and services for which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, consider approval of exemption(s) of purchase from competitive bidding and consider approval of (1) the related invoice for the purchase of endoscopes, and (2) extension of service agreements between Intuitive Surgical, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Whelan presented (1) the related invoice for the purchase of endoscopes, and (2) extension of service agreements between Intuitive Surgical, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will provide 4 additional operative robotic endoscopes (laparoscopes) for the DaVinci XI robot which will increase capacity and access for patient care for Tarrant County residents.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve pursuant to JPS Purchasing Procedure LD 7205 Section VIII(d)(1) regarding an exception to competitive bidding for purchase of goods and services for which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, consider approval of exemption(s) of purchase from competitive bidding and consider



approval of (1) the related invoice for the purchase of endoscopes, and (2) extension of service agreements between Intuitive Surgical, Inc. and Tarrant County Hospital District d/b/a JPS Health Network and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval; motion was seconded by Mr. Powell as presented and carried unanimously.

G. Consider Approval of Proposed Amendment to the Support Agreement by and between Clinical Computer Systems, Inc. and Tarrant County Hospital d/b/a JPS Health Network

Melinda Costin presented the Proposed Amendment to the Support Agreement by and between Clinical Computer Systems, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow continuation and upgraded software support for The OBIX perinatal Data System for the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Proposed Amendment to the Support Agreement by and between Clinical Computer Systems, Inc. and Tarrant County d/b/a JPS Health Network. Dr. Webber made a motion for approval: motion was seconded by Daniel Ziegler, M.D., as presented and carried unanimously.

H. Consider Approval of Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g)(1) regarding an exception to competitive bidding for purchase of good and services for which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, consider approval of exemption(s) of purchase from competitive bidding and consider approval of Proposed Fourth Amendment to Midas DataVision System Agreement between Conduent Care Management, Inc. f/k/a MidasPlus, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Costin presented the Proposed Fourth Amendment to Midas DataVision System Agreement between Conduent Care Management, Inc. f/k/a MidasPlus, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will provide continued software support for MidasPlus Datavision ensuring compliance with regulatory and accreditation reporting requirements for the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve pursuant to JPS Purchasing Procedure LD 7205 Section VIII(g)(1) regarding an exception to competitive bidding for purchase of good and services for which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies, consider approval of exemption(s) of purchase from competitive bidding and consider approval of Proposed Fourth Amendment to Midas DataVision System Agreement between Conduent Care Management, Inc. f/k/a MidasPlus, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval; motion was seconded by Dr. Ziegler as presented and carried unanimously.

VI. **OTHER MATTERS REQUIRING BOARD OF MANAGERS DISCUSSION(S), UPDATE(S) DELIBERATION(S), ACTION(S) AND/OR FINAL APPROVAL.**

**Mr. Montgomery advised the Committee that there not a quorum of the Board of Managers present, so all matters considered under item VI will be action items for the Finance Committee only.**



A. Consider Committee Final Approval of Facilities Service Agreement (Star-Plus products) between HealthSpring Life & Health Insurance Company, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Clark presented the Facilities Service Agreement (Star-Plus products) between HealthSpring Life & Health Insurance Company, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow Cigna HealthSpring Medicaid members to access care at JPS as an in-network facility.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Facilities Service Agreement (Star-Plus products) between HealthSpring Life & Health Insurance Company, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Powell made a motion for approval; motion was seconded by Dr. Webber as presented and carried unanimously.

B. Consider Committee Approval of Facilities Service Agreement (Medicare Advantage) between HealthSpring Life & Health Insurance Company, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Clark presented the Facilities Service Agreement (Medicare Advantage) between HealthSpring Life & Health Insurance Company, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow Cigna HealthSpring Medicare members to access care at JPS as an in-network facility.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Facilities Service Agreement (Medicare Advantage) between HealthSpring Life & Health Insurance Company, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval; motion was seconded by Mr. Powell as presented and carried unanimously.

C. Consider Approval of Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(d) regarding an exception to competitive bidding for the purchase of professional services where obtaining such services through competitive bidding is prohibited or not practical: Consider Committee Approval of exemption(s) of purchase from competitive bidding and consider approval of Proposed Universal Extension Amendment to Service Agreement for Extension of Service Agreement term for AT&T Switched Ethernet Service and AT&T Switched Ethernet Service Provided Pursuant to Standard or Custom Terms Between AT&T and Tarrant County Hospital District d/b/a JPS Health Network

David Mendenhall Proposed Universal Extension Amendment to Service Agreement for Extension of Service Agreement term for AT&T Switched Ethernet Service and AT&T Switched Ethernet Service Provided Pursuant to Standard or Custom Terms between AT&T and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration. Approval of this agreement will allow continuity of AT&T Switched Ethernet Network Services between main campus and various clinics in the District.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve pursuant to JPS Purchasing Procedure LD 7205 Section VIII(d) regarding an exception to competitive bidding for the purchase of professional services where obtaining such services

through competitive bidding is prohibited or not practical: Committee Approval of exemption(s) of purchase from competitive bidding and consider approval of Proposed Universal Extension Amendment to Service Agreement for Extension of Service Agreement term for AT&T Switched Ethernet Service and AT&T Switched Ethernet Service Provided Pursuant to Standard or Custom Terms Between AT&T and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval; motion was seconded by Dr. Ziegler 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**

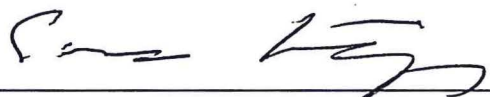
Allan Graves announced the monthly report listing 34 contracts negotiated under \$200,000 and zero contracts between \$200,000 and \$500,000. This report has been posted to the board portal.

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

**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 10:55 am.

  
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Steve Montgomery, Board

7-26-18  
Date