

BOARD OF TRUSTEES
The MetroHealth System

Date: January 27, 2021

Time: 4:00 p.m.

Place: The MetroHealth System Board Room (Virtual Zoom)

Present: Ms. Dee, Mr. Hairston, Mr. Hurwitz, Ms. Kirk, Mr. Monnolly, Mr. Moreno, Mr. Moss, Dr. Silvers, Ms. Whiting

Staff: Dr. Boutros, Dr. Boulanger, Dr. Chehade, Mr. Frolik, Ms. Jacono, Mr. Jones, Ms. Kline, Mr. Nevel, Mr. Phillips, Ms. Platten, Ms. Rajki, Mr. Richmond, Dr. Lovich-Sapola, Mr. Stern, Ms. Wahl, Dr. Watts

Guests: Mr. Brian M. O'Neill, Chair, Board of Directors, The MetroHealth Foundation
Dr. Lia Logio, Vice Dean of Medical Education, Case Western Reserve University School of Medicine

MINUTES OF MEETING

The meeting was called to order by Ms. Whiting with all participating via Zoom at 4:00 p.m., in accordance with Section 339.02(K) of the Ohio Revised Code and due to the Declaration of a State of Emergency declared by Governor DeWine.

(The minutes are written in a format conforming to the printed meeting agenda for the convenience of correlation, recognizing that some of the items were discussed out of sequence.)

1. Minutes

The Board approved the Minutes of the Board Meeting of December 16, 2020.
RESOLUTION 19411.

2. Consent Agenda

A. Audit and Compliance Committee – No Meeting

B. Community Engagement Committee – None

C. Diversity Committee – No Meeting

D. Executive Committee – No Meeting

E. Facilities and Space Committee

1. The Board unanimously approved the further amendment of the agreement with Turner Construction Company as the Construction Manager at Risk for the Campus Transformation project (Project) to provide Project construction services and revise the Guaranteed Maximum Price (GMP) for the New Hospital Tower and the Central Utility Plant of the Project; the revised GMP shall not exceed \$20,447,027 for this amendment for a total amended agreement amount not to exceed \$504,585,267 to

be paid out of capital funds previously approved through Board Resolution 19088. RESOLUTION 19412.

2. The Board unanimously approved the amendment of the current agreement for owner representative services with Hammes Company Healthcare LLC as the Owner Representative for the Project to provide additional staffing support services for the Project; the total fees for this additional work shall not exceed \$125,948 for a total amended fee amount not to exceed \$9,894,518 to be paid out of capital funds previously approved through Board Resolution 19088. RESOLUTION 19413.
3. The Board unanimously approved the renewal of certain office leases as more fully described in Attachment A. RESOLUTION 19414.
4. The Board unanimously approved a lease in Cleveland, Ohio as more fully described in Attachment A. RESOLUTION 19415.

F. Finance Committee – None

G. Governance Committee – No Meeting

H. Legal and Government Relations Committee – No Meeting

I. Quality and Safety Committee – No Meeting

3. President and CEO’s Report

Dr. Boutros stated there were no updates to report; new initiatives will be discussed in Executive Session.

As a point of order, Ms. Whiting stated she had discussions with Dr. Boutros and several Committee Chairs that moving forward there be a designated staff liaison assigned to support the Chair of each Committee to provide, in a specific template format, written reports that will be included in the future Board Books for reference to permit dialogue and discussion on relevant issues or topics during the meeting. Each Board Member is being asked to think of matters or projects of interest that could be addressed and discussed at future meetings resulting in more time being permitted to have in-depth conversations. A recommendation was made as reports are generated that they be categorized as knowledge building information and a subject requiring a decision. Members of the Governance Committee will create a template that designates Board development and education and action items.

4. Nursing/Magnet Report – Melissa Kline, Chief Nursing Officer

Ms. Kline began her report with recognition of nurses: Jennifer Beigie, SANE Coordinator, has been elected President-Elect of the Ohio Chapter of the International Association of Forensic Nurses (IAFN); Jessica Feichtner, Nurse Manager at Brecksville, has been elected to serve for a three-year term on the Board of Directors of IAFN, further defining the role that Jennifer Beigie is getting ready to lead the Ohio Chapter of IAFN while Jessica Feichtner is on the Board of Directors of IAFN; Karen Gates, Director of Nursing Service-Ambulatory, was selected to participate in the American Organization for Nursing Leadership’s Nurse Director Fellowship, noting 20 candidates are selected each year from across the county and MetroHealth was fortunate to have two other participants. The Nurse Residency Program, which is MetroHealth’s transition program for new graduates going from school and initial licensure into practice, received accreditation with distinction through a call received on January 25, 2021. Ms. Kline stated MetroHealth was the first program in the Midwest to attain accreditation approximately three years ago and is very proud to be able to obtain reaccreditation with distinction.

5. Medical Staff

A. Report of Medical Staff President – Dr. Jessica Lovich-Sapola

Dr. Lovich reported that she will be including the Medical Staff’s newsletter in future Board Books and at the meeting will update the Board on any specific matters or issues. There being no updates to report, at the request of Dr. Lovich, Ms. Whiting made a motion and the Board unanimously approved the Medical Staff Providers Appointments for January 2021, as well as the Medical Executive Committee Minutes of December 11, 2020.

B. Approval of Medical Staff Providers Appointments, Reappointments and Actions

1. The Board unanimously approved the Medical Staff Providers Appointments for January 2021. RESOLUTION 19416.

C. Medical Executive Committee Minutes – December 11, 2020

D. Report of Case Western Reserve University (CWRU), School of Medicine – Dr. Lia Logio, Vice Dean for Medical Education

Dr. Logio indicated she had nothing major to report. CWRU continues to be grateful for the partnership with MetroHealth. Dr. Logio and Alan Nevel have continued working on education surrounding diversity and a guest speaker to celebrate Martin Luther King and Black History Month.

6. Audit and Compliance Committee – No Meeting

7. Community Engagement Committee

A. Report of Committee Chairperson Hairston

Mr. Hairston reported that the Committee met on January 20, 2021 and, in response to inquiries concerning the health impact of social isolation, the Institute of H.O.P.E. reported on several projects concerning community issues and did an excellent job., as well as developed and shared the performance metrics. Mr. Hairston read a section of the presentation concerning resilience circles that he himself internalized and which touched his heart with matters and concerns that MetroHealth is addressing to reach out to people, especially trauma circles and trauma recovery. Dr. Brook Watts gave a presentation on lessons learned from efforts to vaccinate MetroHealth patients who are 80 years or older in Cleveland Heights during Phase 1B. Alan Nevel, Chief Diversity and Human Resources Officer, brought MetroHealth’s racial equity initiatives activities to the forefront and the Committee was able to discern and internalize what was being said, noting that new Board Members engaged in discussion even after the meeting was over. Time did not allow the clergy vaccine video to be shown at the meeting, and Mr. Hairston encouraged everyone to watch it when they have an opportunity, noting the staff sent a copy of the video completed for the Annual Stakeholder’s Meeting to all Committee members. The Community Engagement Committee Charter will be reviewed for relevancy at the next meeting. There was further discussion and dialogue with Board Members concerning the Institute of H.O.P.E.’s presentation concerning digital connectivity in the areas surrounding MetroHealth.

B. Non-Consent Agenda

1. Action Items – None
2. Information Items
 - a. Call to Order
 - b. Social Isolation Initiatives
 - c. Update on Vaccinations
 - d. Diversity, Equity and Inclusion Update
 - e. Adjournment

8. Diversity Committee – No Meeting

9. Executive Committee - No Meeting

10. Facilities and Space Committee

A. Report of Committee Chairperson Monnolly

Mr. Monnolly began with a report from Karen Dethloff; the Facilities staff rebuilt 16 patient care units within three months in support of the COVID-19 readiness for a surge, noting in addition that the staff made significant infrastructure adjustments to improve safety for patients and staff by installing over 1,600 chair and desktop dividers to create physical barriers between patients, visitors, and staff throughout the System. Facilities Management reduced the department's use of overtime to 39% under budget in 2020, despite a 5.4% vacancy rate. In 2020 the Facilities Department initiated 94 Capital projects with a budget of \$8.6 million, noting of this spend over \$2.4 million was spent with diverse vendors, including \$1.78 million that was spent with female business enterprises and minority businesses. Selected Capital projects included were repair work in the Old Brooklyn Campus and North Visitors garages and replacement of a major air handling unit at the West 150th Ambulatory Surgery Center and Health Center. Lastly, Ms. Dethloff described how her staff provided various internal and external educational sessions conducted during the year such as the Latino Construction Program on Healthcare Construction and presentations from the American Society for Health Care Engineering (ASHE) Annual Conference for managers.

Andreanna Sims, Director of Real Estate and Property Management, reported that during the initial COVID-19 closures, Real Estate negotiated with two of the Sleep Hotels to forgive our rent during those closures which saved MetroHealth \$21,000. Ms. Sims was also able to re-negotiate permanently reduced rental rates on two sites which saved MetroHealth \$117,000 with the Buckeye sites receiving \$240,000 from the owner for tenant improvements. During 2020 Real Estate renewed 17 leases and negotiated one new lease, noting total lease payments paid in 2020 were \$800,000 over 41 leased sites that included Ambulatory Sites, the Dental Clinic, Physician Housing, the Sleep Labs and Airports.

Sarah O'Keefe, Director of Sustainability, reported a submittal of \$298,000 in grants in 2020 to support the initiatives in areas of Waste, Climate Change Action and Transportation for waste recycling, electric vehicles charging stations and an employee commuting pilot program. Sustainability also implemented \$280,000 in annual cost avoidance through re-contracting directly with a waste management contractor that avoided the cost of a middleman and implemented a change in location of disposing our biohazardous waste further saving money for MetroHealth. Lastly, Ms. O'Keefe reported INreach to over 690 employees and Outreach to over 180 community members through various functions.

Margaret Hewitt, Director of Planning Design and Construction, reported managing 33 projects for 2020 with a combined budget of \$29 million for these projects from planning to close-out. A few highlights included: a budget of \$3.6 million on the MetroHealth Family Dentistry Center on Lorain Avenue near the Ohio City Health Center, noting the anticipated completion of the project in June 2021 and seeing the first patient on July 1, 2021; one of the linear accelerators in the Main Campus at the Outpatient Pavilion being replaced, noting the accelerators would be relocated free of charge to the new outpatient center when built; the Cath Lab A was replaced, noting construction was completed on January 11 and also would be relocated free of charge; the Behavioral Health and Addiction center at Cleveland Heights completed the planning stage and started design of the complex, noting the Conceptual Cost of that building to be \$42 million and the Schematic Design being approved with construction expected to begin the Summer of 2021 and completion in October 2022; the Old Brooklyn Campus Reconfiguration Project and the Skilled Nursing Facility Project are ongoing and estimated to be completed by October 2021; the Emergency Department Sexual Assault Nursing Examination (SANE) project was completed in 2020; the Outpatient Tower project is in the planning stage with the estimated site being 250,000 square feet and an estimated Conceptual Cost of \$130 million; the Ohio City Health Center was completed in 2020, noting after completion a pharmacy was added and completed in December 2020; and lastly the goal of MetroHealth is to complete construction of the Chemistry Lab at Lincoln West prior to the students returning in March 2021.

Kevin Ortner, Director of Operations and Transition Planning reported a request for proposal was distributed and approximately 20 firms responded. As a result, HTS, Inc. was hired, onboarded and is currently performing the initial program and project planning activities, noting a resolution will be presented for approval to execute contracts concerning this project at the March meeting with an estimated cost being approximately \$9.5 million. Many preliminary meetings are planned with the MetroHealth staff during February with the full kick off of the project beginning in March 2021. The American Hospital Association's Certified Healthcare Constructor Certification was obtained last year.

Walter Jones reported that the project is running on time and on budget, the design being revised to include 118 additional beds by buildout of shell space originally planned for future expansion and conversion of 50 rooms to semi-private, noting the money for that \$20.4 million project will come out of the original budget for the hospital as there have been cost savings of the hospital along the way and no other funds will be necessary for this construction. The progress on the hospital tower, now named the Glick Center, being reported is the exterior will be complete in April 2021. The Central Utility Plan (CUP) interior and exterior scope of work is approximately 90% complete and interior drywalls were installed, including some finishes in the Glick Center such as drywall and prime paint being installed currently on some of the floors. COVID-19 has had no impact on the project, and there has been no loss of work force and no major injuries reported on this project. Mr. Monnolly expressed his pleasure with the crew and the concentration on safety on the part of everyone involved and no time lost at a time when sections of the skin of the building are being lifted by cranes and work completed on the outside of the structure. The Critical Care Pavilion renovation scope will be in the next scheduled Gross Maximum Price (GMP) package which will be presented to the Board at the March 2021 meeting.

B. Non-Consent Agenda

1. Action Items – None
2. Information Items
 - a. Facilities Management Update
 - b. Real Estate Property Management Update
 - c. Sustainability Update
 - d. Planning, Design and Construction Update
 - e. Transition Planning Update
 - f. Campus Transformation Update

11. Finance Committee

A. Report of Committee Chairperson Moss

Mr. Moss reported the Finance Committee met on January 20 and three topics were discussed: Governmental Accounting Standards Board (GASB), the 2020 Financials, and the capital budget for 2019-2020. Geoff Himes provided a report on GASB, an accounting function that does not affect our Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) or our cash flow; he also discussed two GASB rules, one not taking effect now as anticipated but will take effect in 2022 relating to certain leases and the other taking effect in 2021 having to do with reporting interest on money borrowed for the hospital project but not being paid at this time, noting that such interest would move from the Balance Sheet to the Income Statement.

Craig Richmond, Chief Financial and System Services Officer, provided an updated report on two items: the \$71.3 million stimulus received and noted good news provided that this money does not have to be paid back and will be moved to cash, and \$5.4 million was received from Cuyahoga County for COVID-19 related expenses; also discussed was \$92 million of advance payments from Centers for Medicare and Medicaid Services (CMS) that would need to be paid back. EBITDA was \$221.4 million for 2020, an increase of \$95.6 million from last year or 76.1% increase from 2019, noting to keep perspective in 2019 EBITDA was \$125 million which is the largest the hospital has ever had and exceeded that amount by \$95 million. This increase in EBITDA was due to net income and retail from contract pharmacy. There was also an increase in quality incentive for the Care Innovation and Community Improvement Program (CICIP), an increase in the Upper Payment Limits, and stimulus money received from the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Operating Income was \$161.4 million compared with \$67.1 million for the same period in 2019, an increase of \$94.3 million or 140.6%. Non-operating revenue reported net investment income for twelve months ended December 31, 2020 was \$32.3 million compared with \$30.8 million for the same period of 2019. Net Income was \$193.3 million compared with \$97.8 million for the same period of 2019, an increase of \$95.5 million due to net patient service revenue increase and growth in retail and contract pharmacy. Total operating revenue for the twelve months ended December 31, 2020 was \$1,469.1 million compared to \$1,295.5 million for the same period of 2019, an increase of \$173.6 million or 13.4%. Other operating revenue increased \$103.7 million or 44.8% due to retail and contract pharmacy operations, a Cuyahoga County grant covering COVID-19 eligible expenses, contract income related to healthcare services partnerships, and value-based payments. Expenses were \$1,247.6 million for the twelve months ended December 31, 2020 compared to \$1,169.7 million for the same period of 2019, an increase of \$77.9 million or 6.7% due to supply costs for COVID-19, an increase in pharmaceuticals, certain offsetting expenses, and salary and wages due to contractual obligations. Total assets were \$2,264.1 million as of December 31, 2020, an increase of \$317.0 million for the same period of 2019, noting an increase of \$232.3 million increase

from unrestricted cash and the \$89.3 million in Commercial Provider advance payments related to the COVID-19 pandemic, \$76.7 million in Stimulus Funding, the \$8.4 million net accounts receivable, and the \$54.5 million investments from prior year-end balances by Select Assurance Captive activities. Total liabilities were \$2,604.2 million as of December 31, 2020, a decrease of \$84.9 million from the prior year-end balance due to the repayment to CMS. The payor mix has seen very little change in the last couple of years; cash on hand is 201 days (without advance payments) compared to 153 days in 2019, noting the cash position was good last year and even better this year. A capital budget summary presentation provided a discussion of the capital budget and include amounts approved in the budget and what had been spent and committed. Mr. Moss also indicated the Committee went into Executive Session to discuss trade secrets and indicated discussion included in Executive Session by Mr. Richmond included UPL, HCAP, and 340B.

B. Non-Consent Agenda

1. Action Items – None
2. Information Items
 - a. Unaudited 2020 Financial and Operational Results
 - b. Accounting & Financial Reporting for Pensions (GASB 68) and Postemployment Benefits (GASB 75)
 - c. 2020 Capital Projects Review
 - d. Schedule of Charges Update

12. Governance Committee – No Meeting

13. Legal and Government Relations Committee – No Meeting

14. Quality and Safety Committee – No Meeting

15. Foundation and System Philanthropy Report – Kate Brown – President, The MetroHealth Foundation and MHS Chief Development Officer

Mr. Brian O’Neill, Chair of The MetroHealth Foundation (Foundation), reported in Kate Brown’s absence. The Foundation was pleased to have recognized approximately \$55.8 in donor contributions for calendar year 2020, setting a new record for the Foundation, which included the Glick Family donation and 31 gifts of over \$100,000 received which is approximately double the amount from 2019. Discussions have accelerated and intensified with a number of donors as a result of the Glick Family donation. The donation is receiving national attention and will be announced in the February issue of *Chronicle of Philanthropy* and the Glicks were named as one of the top 50 donors in the United States for 2020. Mr. O’Neill recognized other gifts: Three Arches Foundation made its first grant of \$50,000 to the School Health Program, a \$600,000 gift was received from CareSource for the Institute of H.O.P.E., and other gifts received from Margaret Wong, The Albert M. Higley Company, and long-time MetroHealth supporters—the Muraco Family. He recognized two very special programs at MetroHealth: The Institute of H.O.P.E. is gaining momentum with several donors since showing tremendous success with the assistance of Susan Fuehrer, Dr. James Misak, Dr. Nabil Chehade and the entire team; and, in conjunction with earlier discussions concerning digital connectivity, several donors have expressed an interest in supporting this program after learning of the gift received from Dollar Bank. Lastly, he stated the Foundation is completing a strategic planning exercise with its Executive Committee and an advisor in terms of researching the capacity over the next several years of the campaign after achieving the \$100 million goal and looking forward to future donations and further support for MetroHealth.

A motion was unanimously passed by roll call vote to go into Executive Session (4:50 p.m.) to discuss trade secrets and matters required to be kept confidential by law.

Following the Executive Session, the meeting reconvened in open session at approximately 6:20 p.m.

The Chair noted that the Board of Trustees were provided information for certain amendments to the existing delegations to the President and Chief Executive Officer of functions related to donations to nonprofit entities, for the purpose of improving the governance and administrative efficiency of the System and to serve the best interests of the System, the amended delegation being further detailed in the attached Attachment A. There being no further questions, the Board unanimously approved the amended delegations to the President and Chief Executive Officer as set forth in Attachment A.
RESOLUTION 19417.

The Chair noted that the Board of Trustees were provided information concerning continuing official roles with certain nonprofit and governmental/partner entities noted in the resolution to fulfill MetroHealth's mission of improving the health of the community which includes addressing the social determinants of health. There being no further questions, the Board unanimously approved the continuing official roles with certain partner entities, each being a MetroHealth representative and shall represent the System and the System's interest and shall have no other conflict of interest in the partner entity.
RESOLUTION 19418.

The Chair noted that the Board of Trustees were provided information for certain donations made to nonprofit entities that were within the scope of the budgets previously approved by the Board, will be included in future budgets, as appropriate, and the donations being consistent with MetroHealth's mission and operations. There being no further questions, the Board unanimously approved the certain donations made to the nonprofit entities and shall be paid out of general operating funds.
RESOLUTION 19419.

The meeting adjourned at approximately 6:40 p.m.

**NEXT MEETING: March 24, 2021 (WEDNESDAY) – 4:00 p.m.
 The MetroHealth System – Zoom Virtual Meeting**

The MetroHealth System

Respectfully submitted,

Vanessa Whiting, Chairperson

Akram Boutros, M.D., FACHE
President and Chief Executive Officer