

**THE METROHEALTH SYSTEM
FINANCE COMMITTEE
BOARD OF TRUSTEES
REGULAR MEETING MINUTES**

DATE: Monday October 26, 2015

TIME: 2:30 to 4:30 pm

PLACE: MetroHealth Medical Center
K107, Business Services Building

COMMITTEE TRUSTEES: Mr. McDonald, Mr. Monnolly and Dr. Silvers

STAFF: M. Bechtle, A. Boutros, M.D., FACHE, A. Connors, M.D, G. Himes, S. Huggins, J. Kerkay, D. Lewis, M. Phillips, D. Reichert, C. Richmond, T. Rose and M. Stern

Dr. Silvers called the regular meeting of the Finance Committee to order at 2:38 p.m. Please note the minutes are written to conform to the printed agenda and are not necessarily in the order of discussion.

- I. The minutes of the regular meeting held on September 21, 2015 were approved as presented.

II. INFORMATION ITEMS

Craig Richmond, Chief Financial Officer began the meeting stating that the September and third quarter financial information was reviewed in detail during the Executive Committee of the Board of Trustees meeting a week ago. Therefore, limited discussion was held regarding the monthly and quarterly financial statements.

Mr. Richmond and Jeff Kerkay, Treasurer discussed the refinancing of the System's County of Cuyahoga, Ohio Hospital Improvement and Refunding Variable Rate Demand Revenue Bonds, Series 2005. The Letter of Credit (LOC) that is used to enhance the credit of the Series 2005 Variable Rate Demand Bonds (VRDBs) is expiring in December. Similar to the Series 2003 VRDBs which were refinanced with a private bank placement (the Series 2012 debt), MetroHealth plans to refinance the Series 2005 VRDBs with a private bank placement (the Series 2015 debt). After conducting a CSP / bid process, PNC Bank (the Agent bank for the current LOC) was selected for the private bank placement. The private bank placement will result in significant savings over a renewal of the LOC and lessen the administrative burden involved with public, variable-rate debt of this nature.

Mike Phillips, Chief Legal Officer discussed a recommendation for the formation of an Ohio nonprofit limited liability company which will be owned and controlled by the System for the purpose of acting as a captive insurance company insuring certain of the risks of the System. MetroHealth has worked with the System's insurance consultant, Willis, to consider the potential benefits and costs of forming a captive insurance company that will cover hospital professional liability and general liability. Discussions were held with Finance and Human Resources to evaluate issues of cost and funding of the Captive, as well as the potential of having the captive cover medical stop loss for the System's current program of self-insurance for the medical costs of its employees and their dependents.

Mr. Phillips stated that the services of a Captive Manager will be required if the Board authorizes the formation of the Captive. Ohio Captive Insurance Law requires a captive insurance company

identify a “captive manager” on its application and the System believes that the services of a captive manager will be needed.

III. NON-CONSENT/ACTION ITEMS

- A. There are no items to report at this time.

IV. CONSENT ITEMS

- A. A recommendation for changes to the Hospital and Professional Charge Description Master (CDM) file

The Committee unanimously approved the recommendation for full Board action.

- B. A recommendation to approve a new schedule of charges for the system’s health care products and services to be effective January 1, 2016

The Committee unanimously approved the recommendation for full Board action.

- C. A recommendation for issuance and sales of certain refunding revenue bonds to refinance The MetroHealth System’s Cuyahoga County, Ohio Hospital Improvement Variable Rate Demand Revenue Bonds, Series 2005

The Committee unanimously approved the recommendation for full Board action.

- D. A recommendation for a donation to the Hispanic Alliance, a charitable nonprofit corporation

The Committee unanimously approved the recommendation for full Board action.

- E. A recommendation for the approval of the formation of a captive insurance company

The Committee unanimously approved the recommendation for full Board action.

- F. A recommendation for the engagement of a captive manager

The Committee unanimously approved the recommendation for full Board action.

- G. A recommendation for transfers of certain funds from MetroHealth to the MetroHealth Foundation

The Committee unanimously approved the recommendation for full Board action.

At this point in the meeting a motion was made, seconded and passed to move the Committee into Executive Session to discuss trade secrets and litigation matters. The Committee returned to regular session at 4:32 p.m.

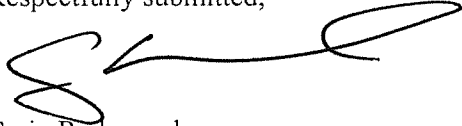
- A. A recommendation for a proposed budget for the 2016 fiscal year and to authorize the submission of the same to the government of Cuyahoga County, Ohio (“County”).

The Committee unanimously approved the recommendation for full Board action.

There being no further business to bring before the Committee, the meeting was adjourned at 4:35 p.m.

Respectfully submitted,

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Craig Richmond', with a large, stylized flourish at the end.

Craig Richmond
Chief Financial Officer