

**BOARD OF TRUSTEES
The MetroHealth System**

Date: January 27, 2016

Time: 4:00 P.M.

Place: The MetroHealth System Board Room

Present: Mr. McDonald, Rev. Minor, Mr. Moss, Mr. Schneider, Dr. Silvers, Mr. Spain, Ms. Whiting

Staff: Dr. Boutros, Ms. Allen, Ms. Arundel, Ms. Bechtle, Mr. Botros, Ms. Brown, Dr. Connors, Mr. Jones, Dr. Kasprzak, Ms. Kline, Dr. Laskey, Mr. Lewis, Mr. Phillips, Mr. Richmond, Mr. Stern

MINUTES OF MEETING

The meeting was called to order by Mr. McDonald at 4:00 p.m.

(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 Regular Meeting of December 16, 2015. RESOLUTION 18948.

2. Consent Agenda

A Audit Committee – No Meeting

B. Diversity and Inclusion Committee – None

C. Facilities and Space Committee

1. The Board unanimously approved leases of space in Cuyahoga County. RESOLUTION 18949.
2. The Board unanimously approved the acquisition of real estate and furniture, fixtures and equipment associated with the real estate in Cuyahoga County. RESOLUTION 18950.

D. Finance Committee

1. The Board unanimously approved certain capital improvements and purchases, for the items, purposes, and aggregate costs as detailed in Exhibit A, to be paid out of available capital funds, and subsequently reimbursed through fund sources indicated in Exhibit A. RESOLUTION 18951.

2. The Board unanimously approved changes to the Hospital and Professional Charge Description Master (CDM) file, for the items shown in Attachment A. RESOLUTION 18952.
3. The Board unanimously approved the continued engagement of KPMG as the System's Internal Audit consultant, for the purpose of providing management, assistance, advice and guidance with performing enterprise risk assessments, prioritizing risks and associated audits, providing oversight of Information Technology (IT) audits and reporting to management and the Audit Committee of the Board of Trustees, for the year 2016, with cost not to exceed \$675,000 and associated expenses not to exceed \$25,000 to be paid out of general operating funds. RESOLUTION 18953.
4. The Board unanimously approved the on-going assistance of Kaufman Hall as the System's Financial Advisor for the Transformation Project, for the purpose of providing financial planning, advice and guidance related to the Transformation Project for the period of January through June 2016, for aggregate fees not to exceed \$240,000 plus reasonable travel and other expenses not to exceed 10% of the fees, to be paid out of general operating funds. RESOLUTION 18954.
5. The Board unanimously approved the purchase of Stop Loss Coverage from Medical Mutual of Ohio (MMO) at an individual stop loss deductible of \$1,000,000 per enrollee for the self-insured employee medical/prescription plan, for a one-year premium not to exceed \$150,000 for the period January 1, 2016, through December 31, 2016, to be paid out of the general operating funds. RESOLUTION 18955.
6. The Board unanimously endorsed and approved the continued engagement of KPMG LLP for the purpose of a special external investigation and ratified and adopted the engagement letter agreement with KPMG LLP providing for the performance of the investigation, the delivery of its report and reporting to the Board of Trustees, and any additional consulting work that may be deemed to be in the best interests of the System, as determined by the Board, with combined cost and associated expenses not to exceed \$400,000 and to be paid out of general operating funds. RESOLUTION 18956.

E. Legal and Government Relations Committee – No Meeting

F. Patient Experience Committee – No Meeting

G. Executive Committee – None

H. Quality and Safety Committee

1. The Board unanimously reaffirmed its commitment to maintain a Level I Adult and Level II Pediatric Trauma Center at MetroHealth Medical Center according to the published standards and guidelines of the American College of Surgeons. RESOLUTION 18957.

3. President and CEO's Report

Dr. Boutros began his report by stating that the MetroHealth emergency preparedness and response team had activated the Cold Weather Playbook, adding that due to the extreme cold

temperatures and high winds that Cleveland has experienced the Hospital was put on Level 2 building protective measures. In December, he noted that with construction on the Critical Care Pavilion water had penetrated into the emergency room closets and within six to eight hours team members contained and remediated the issue, reporting that only two patients were diverted to area hospitals. Gilbane, the Construction Manager, has accepted responsibility and will reimburse MetroHealth for incurred costs.

Dr. Boutros welcomed Dr. Bernard Boulanger to the MetroHealth leadership team and stated he will start March 1st as Executive Vice President and Chief Clinical Officer. Due to this change, Dr. Connors will be assuming the role as MetroHealth's Chief Quality Officer. Dr. Boutros also indicated that he was proud to announce that Dr. Connors is the recipient of the Northeast Ohio Crain's Health Care Heroes Lifetime Achievement Award and stated that this Award had been given to a recipient in the region previously only once. He reported that the Health and Human Services Levy kick-off held on January 11th at MetroHealth went very well and wanted to thank the Board members and executives who participated and further supported the Levy with their donations. Dr. Boutros then reported that MetroHealth entered into a Community Covenant which creates the need for a task force to oversee the development and implementation of a plan focused on reducing infant mortality and also mentioned that MetroHealth had received another honor by being the recipient of the 2015 HIMSS Enterprise Davies Award for utilizing health information technology to improve patient outcomes while achieving a return on the investment. Lastly, he reviewed the impact the Values testing had on MetroHealth since February 2015, noting that pre-hire values assessment reduced the number of people leaving MetroHealth from the prior year by 40%. He also noted that 45% of newly hired employees being racially diverse and 39% of all 2015 promotions being racially diverse.

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

Ms. Kline reported that the Department of Nursing completed their nurse satisfaction post-Magnet site survey, stating that there was an 88% participation rate throughout the nursing department with many units reaching 100% participation. She reviewed positive results for improvements from the 2013 survey in nursing participation in hospital affairs, nursing and physician relationships in the highest scoring category, foundations for quality care, and manager leadership and support, with staffing remaining stable and an 18% increase in unit-level scores in the top quartile. Ms. Kline informed the Board that the results of the satisfaction survey are being shared with nursing staff and leadership, with each unit receiving their unit-level scores and responsible for developing an action plan to improve any scores below benchmark. She stated that the survey will be reviewed in late Spring or early Summer with plans to repeat it each May to coordinate with Magnet reporting cycles and increase the comfort level of staff taking the survey.

5. Medical Staff

A. Report of Medical Staff

Dr. Connors reported on one event to the Board worthy of attention, being the MetroHealth Medical Hall of Honor Unveiling Reception held on January 12 inducting eight new members. He stated that attendees included four of the inductees being living members who attended with their family members, other Board members, and family members attending on behalf of other inductees who are no longer living, who served MetroHealth anywhere between twenty and fifty years ago. He mentioned that all of the families were pleased with the event, and the event gave MetroHealth an opportunity to honor the inductees and thank them for their excellent service. Lastly, he thanked Kate Brown and members of her staff for the effective preparation and a very nice ceremony.

B. Approval of Medical Staff/Allied Health Providers/Advanced Practice Nurses Appointments/Actions – January 2016

1. The Board unanimously approved the Medical Staff Appointments/Actions for January 2016. RESOLUTION 18958.
2. The Board unanimously approved the Allied Health Appointments/Actions for January 2016. RESOLUTION 18959.

C. Medical Executive Committee Minutes – December 11, 2015

D. Report of Medical Staff President – Dr. Williams

Dr. Kasprzak, as the President-Elect for the Medical Staff, gave the report in Dr. Williams' absence. He mentioned that the Medical Staff held their meeting Tuesday evening, March 26, with a very good turnout. The agenda included a HealthSpan update as it affected the MetroHealth Medical Staff and an introduction to the physician dashboard by Dr. Collins, a program allowing physicians to track their internal metrics in performance against their peers. Dr. Kasprzak lastly mentioned that training began through the Office of Patient Experience whereby Drs. Laskey and Connors, through the American Academy of Communications and Health Care, brought to MetroHealth eight physicians who began training members of the Medical Staff in communication skills and ways to improve relationships on behalf of patients and other staff members.

Dr. Boutros at this time wanted to recognize Dr. Laskey, who two weeks earlier was the only hospital representative in a meeting with the Secretary of Health and Human Services for hours in Washington, DC, to discuss information on how a public hospital like MetroHealth is meeting the challenges of patient experience.

E. Report of Case Western Reserve School of Medicine

Dr. Thomas began her report by stating that the School of Medicine Accreditation Self Study and the Case Western Steering Committee met for the first time. She thanked Dr. Connors for his participation and mentioned there was nearly an 80% response rate from students who completed their own independent analysis of the school with a positive report. Dr. Thomas then mentioned that all faculty are invited to attend the annual city-wide education retreat being held on March 3rd at the Tinkham Veale University Center on the Case campus to discuss how to improve the learning environment through the undergraduate and GME education. She stated that over 48 abstracts were submitted, many coming from MetroHealth, and that many faculty will be honored with teaching awards. Lastly, Dr. Thomas congratulated Dr. Jeremy Littman on receiving the national education award from the Association for Surgical Education as an outstanding teacher. She mentioned that Dr. Littman has accomplished great things with medical students in core surgery education and is creating a new course considered as boot camp for students becoming involved in surgery.

Dr. Boutros mentioned that he and Dr. Connors, along with Dr. Thomas, would introduce Dr. Boulanger to the Case Western Reserve School of Medicine since he was recently Assistant Dean of the University of Kentucky School of Medicine.

6. Audit Committee – No Meeting

7. Diversity and Inclusion Committee

A. Report of Committee Chairperson

Ms. Whiting began her report by stating the Diversity and Inclusion Committee met that afternoon and had a very robust meeting. She mentioned with respect to construction that MetroHealth met the final participation goal last year of 25% and are on their way to meeting their 2016 goals. Paul Martucci, Director of Supply Chain, gave a positive report concerning purchasing, stating a breakdown was given of minority women and veterans, disabled veterans and small businesses and substantial progress had been made in each category. Kyle Hodges reported that MetroHealth was beyond the 40% goal set to include diverse candidates in every interview with respect to leadership, and reported an increase from 10% to 18% in diverse candidates being hired at the manager level between 2013 and 2015 and a further increase from 10% to 12% at the director level between 2013 and 2015. Ms. Whiting was also excited to announce that the Committee is going to establish a subcommittee to work with MetroHealth's internal community engagement department, noting this is a time to expand and grow toward reaching out into other neighborhoods around Greater Cleveland.

B. Non-Consent Agenda

1. Action Items - None
2. Information Items
 - a. Chairperson Update – Vanessa Whiting
 - b. BOT Diversity Charter Review – Vanessa Whiting
 - c. Transformation & Construction Update – Walter Jones
 - d. Supplier Diversity Update – Paul Martucci
 - e. Talent Acquisition Update – Kyle Hodges
 - f. Office of Inclusion & Diversity Update – Lourdes Negrón-McDaniel

8. Facilities and Space Committee

A. Report of Committee Chairperson

Walter Jones reported in Terry Monnelly's absence. Mr. Jones mentioned that the Facilities and Space Committee meeting on Monday, March 25, centered on Transformation and construction inclusion and diversity. He reported a 28% rate of inclusion and diversity across all of the active projects for 2015, while the other report rolled out the 12-month average giving the first snapshot of completed projects for the entire fiscal year tracked at a 25% rate of inclusion and diversity. He stated that the Board's goal was 17% and some of the projects included had a one or two year duration and closed last year, indicating the organization was performing well in terms of exceeding that goal at a 25% rate, and indicated the Committee will continue to work hard to escalate the percentage and continue to improve in 2016. Dr. Boutros mentioned that the major focus will continue to be the Transformation, indicating further efforts to complete the Critical Care Pavilion and Brecksville by the time the Republican National Convention is in Cleveland.

B. Non-Consent Agenda

1. Action Items - None
2. Information Items
 - a. Community Business Enterprise Report

9. Finance Committee

A. Report of Committee Chairperson

Dr. Silvers began his report by stating that we had a great year unofficially, since the auditors' results had not been received, by exceeding the budget for the year, which included approximately \$30 million in Net Operating Income. He briefly reviewed a change GASB made in the accounting processes, how it impacted the organization, and how it will affect the balance sheet even though there is no cash impact.

Mr. Richmond stated that MetroHealth had \$5.8 million in Operating Income for the month. He reviewed the GASB Statement No. 68 adoption date of December 31, 2015, and that year-to-date MetroHealth reported \$29.8 million in Operating Income, which included a \$6.7 million favorable accounting entry attributable to this accounting adjustment. He made the Board aware that these were unaudited financial results, with the final results being prepared by the accounting firm of RSM, formerly known as McGladrey, who will be completing MetroHealth's audit in the next few months. Mr. Richmond reviewed the fact that we had approximately \$350 million in net pension liability, which brought down MetroHealth's net position to \$139 million even though it was recorded as a non-cash accounting change due to GASB No. 68. He also mentioned a question was raised in the meeting concerning how the rating agencies considered this major GASB change and observed that, since it was a non-cash related transaction, it had no bearing on how the credit agencies reviewed the overall credit risk.

Lastly, Mr. Richmond reviewed the adoption in October 2015 of ICD-10 implementation and how there were expectations of challenges relating to coding changes, claims being disbursed, and payors processing the claims and remitting cash back. He noted that Accounts Receivables were bracing for increasing days of processing the transactions and was happy to report the days decreased by over five days compared to 2014.

B. Non-Consent Agenda

1. Action Items - None
2. Information Items
 - a. Monthly Financial Report – December 2015 – Craig Richmond
 - b. Management's Discussion and Analysis/Financial Highlights – December 2015
 - c. 2016 Internal Audit Plan – Jim Mylen

10. Legal and Government Relations Committee – No Meeting

11. Patient Experience Committee – No Meeting

12. Executive Committee – No Report

13. Quality & Safety Committee

A. Report of Committee Chairperson

Mr. Moss stated the Quality and Safety Committee met on January 26, 2016, and began with Matt Kaufman giving a presentation on the Ohio Department of Health Survey, noting the visit by the Ohio Department of Health was to investigate an alleged complaint of restraint and seclusion, which claims were reported as unsubstantiated. He indicated that the visit did prompt discussions on how to improve the restraint and seclusion policy and providing follow-up reviews anytime the need arises. Cheryl Jakvovic followed with a review

on the Joint Commission visit, mentioning we had seven direct recommendations for improvements (RFIs) versus the nine in 2014 and fifteen indirect recommendations which was less than 2014. Mr. Moss reported that most recommendations centered on protocols not being consistent with order sets and overuse of the term protocol leading to some confusion. Since the Joint Commission's visit, he noted there had been a change in the definition of protocols with respect to order sets being consistent. Matt Kaufman reviewed the 2015 Report Card, noting an improvement was seen from 2014 but performance fell just short of the 2015 goals--areas needing work being Ventilator Associated Pneumonia, Central Line Associate Blood stream Infections, and hospital acquired thrombotic or embolic (blood clots). He mentioned areas that we excelled at were Hospital Acquired Press for Ulcers, drug errors that do significant harm, and hand hygiene and C-Diff. Lastly, Matt Kaufman stated Dr. Connors reviewed the 2016 goals, which included the 2015 goals but added population health—areas of smoking, weight loss, etc.

B. Non-Consent Agenda

1. Action Items - None
2. Information Items
 - a. Ohio Department of Health Survey - Matthew Kaufmann
 - b. The Joint Commission Survey - Matthew Kaufmann/Cheryl Jakvovic
 - c. 2015 Patient Safety & Quality Goal Metrics - Matthew Kaufmann
 - d. 2016 Patient Safety & Quality Goals - Alfred Connors, M.D.

14. External Affairs Report – Elizabeth Allen, Senior Vice President, External Affairs

Ms. Allen started by continuing Ms. Whiting's discussion of community engagement. She reported that MetroHealth hosted a Poverty Simulation co-sponsored by the Greater Cleveland Food Bank. Participating in this event were 35 MetroHealth employees and 5 medical students from Case Western Reserve School of Medicine simulating what living below poverty level for a month by a family entails. She indicated there was a great interest in this event and believes it will be scheduled again in the future. Ms. Allen also informed the Board that three senior leaders attended the public information officer training program in Anniston, Alabama, sponsored by FEMA and indicated they are in addition to others who have already attended to ensure that MetroHealth is prepared for anything that would happen during the time that Republican National Convention attendees are in Cleveland. Lastly, she indicated that MetroHealth now leases space in the Global Center for Health Innovation and will also make this space available as a convenient place to meet for community groups who currently do not have a place to meet.

15. Foundation and System Philanthropy Report - Kate Brown, Vice President, Foundation and System Philanthropy

Ms. Brown began her report by stating that Brenda Kirk was not able to attend the meeting but wanted to extend her thanks to everyone for participating in the 2015 Philanthropy efforts. Ms. Brown reported that MetroHealth finished the year strong by meeting the goal of raising \$13 million, it being the greatest amount The MetroHealth Foundation has raised in any year. She noted that many members of the community came forward with donations in the 5-7 digit amounts and hope that continues in the coming years. Lastly, Ms. Brown wanted to recognize the contributions of \$1.2 million to MetroHealth in 2015 by its own employees and staff, noting Dr. Sidhu and the Anesthesiology Team alone raised over \$250,000 to support endowment and patient care funds within the Foundation. She is hoping to move forward with meeting the goal of \$15 million in 2016.

16. Other Board Items - None

17. Executive Session

A motion was unanimously passed by roll call vote to go into Executive Session to discuss matters involving trade secrets, matters required to be kept confidential by law and pending litigation.

Following the Executive Session, the meeting reconvened in open session at approximately 6:00 p.m.

The meeting adjourned at approximately 6:00 p.m.

NEXT MEETING: March 23, 2016 (WEDNESDAY) – 4 p.m.

The MetroHealth System

Respectfully submitted,

Thomas McDonald, Chairperson

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