

**BOARD OF TRUSTEES
The MetroHealth System**

Date: March 23, 2016

Time: 4:00 P.M.

Place: The MetroHealth System Board Room

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

Staff: Dr. Boutros, Ms. Allen, Ms. Bechtle, Mr. Botros, Dr. Boulanger, Ms. Brown, Dr. Connors, Ms. Kirk, Ms. Kline, Dr. Laskey, Mr. Lewis, Mr. Phillips, Mr. Richmond, Mr. Stern, Dr. Thomas, Dr. Williams

MINUTES OF MEETING

The meeting was called to order by Mr. McDonald at 4:02 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 January 28, 2016. RESOLUTION 18960.

2. Consent Agenda

A Audit Committee – None

B. Diversity and Inclusion Committee – No Meeting

C. Facilities and Space Committee

1. The Board unanimously awarded the amended agreement to HKS Inc. to provide additional architectural services for the Transformation Project. Additional fees for this work shall not exceed \$959,916, including reimbursables. The funding source is 2016 capital funds. RESOLUTION 18961.
2. The Board unanimously awarded the amended agreement to Osborn Engineering to provide additional executive engineering services for the Transformation Project. The additional fees for this work shall not exceed \$508,602, including reimbursables. The funding source is 2016 capital funds. RESOLUTION 18962.
3. The Board unanimously awarded the amended agreement to Gilbane Building Company to provide additional cost advisor services for the Transformation Project. The additional fees for this work shall not exceed \$208,167, including reimbursables. The funding source is 2016 capital funds. RESOLUTION 18963.
4. The Board unanimously approved the office lease in Cleveland, Ohio. RESOLUTION 18964.

5. The Board unanimously approved certain Pre-authorized Professionals (listed on the attached Exhibit A) consistent with System Policy I-88, for services to be provided during the period of April 1, 2016, through March 31, 2017, with aggregate costs not to exceed \$50,000 per assigned project per Professional. The fees for the Pre-authorized Professionals will be paid out of available and authorized operating and capital funds as needed. RESOLUTION 18965.

D. Finance Committee

1. The Board unanimously approved certain changes to the Hospital and Professional Charge Description Master (CDM) file for the items shown in Attachment A. RESOLUTION 18966.
2. The Board unanimously approved a \$10,000 contribution to United Way of Greater Cleveland, for its 2015-2016 campaign, to be paid out of general operating funds that are not needed to meet the Systems current demands. RESOLUTION 18967.
3. The Board unanimously accepted and acknowledged the System's 2015 performance results as compared to the 2015 Plan Measures and Goals previously adopted by the Board, pending verification of the final 2015 Net Operating Income through the finalization of the System's audited financial statements. RESOLUTION 18968.
4. The Board unanimously approved the 2016 Plan Measures and Goals as described in the attachment thereto, to be utilized in connection with the overall compensation methodology. These metrics embody a balanced approach including financial, strategic, quality, community, diversity, operational and patient satisfaction goals. No awards will be paid unless the System achieves the Net Operating Income "trigger", which will be calculated net of the Performance Based Variable Compensation awards. RESOLUTION 18969.
5. The Board unanimously approved certain core terms for a three year Collective Bargaining Agreement between MetroHealth and AFSCME Local 3360, Ohio Council 8 for the purpose of finalizing negotiations and executing contract documents. The core terms are set forth on Attachment A. RESOLUTION 18970.
6. The Board unanimously approved the purchase of stop loss coverage from Select Assurance Captive, LLC with limits of \$1,000,000, with an individual stop loss deductible of \$500,000 per enrollee for the self-insured employee medical/prescription plan, for a one-year premium not to exceed \$500,000 for the period January 1, 2016, through December 31, 2016, to be paid out of the general operating funds. RESOLUTION 18971.
7. The Board unanimously approved the purchase of claims-made professional and general liability coverage from Select Assurance Captive, LLC with limits of \$5,000,000 for professional liability claims and \$1,000,000 for general liability claims, for a one-year premium of \$6,296,600 for policy period December 23, 2015, through December 22, 2016, to be paid out of operating funds. RESOLUTION 18972.
8. The Board unanimously approved certain amended delegations to the President and Chief Executive Officer of functions related to the management and control of the hospital, for the purpose of improving the governance and administrative efficiency of the System, the amended delegations further detailed in the attached Attachment A. RESOLUTION 18973.

9. The Board unanimously approved the purchase of an excess workers compensation policy from Arch Insurance Company to include a self-insured retention (deductible) of \$1,250,000 and employer's liability of \$2,000,000 per occurrence, with a premium rate of \$0.0365/per \$100 of payroll for an estimated premium of \$413,196 for the two year period of April 1, 2016, through March 31, 2018, to be paid out of general operating funds. RESOLUTION 18974.
10. The Board unanimously approved certain capital improvements and purchases, for the items, purposes, and aggregate costs as detailed in Attachment A, to be paid out of available capital funds, and subsequently reimbursed through fund sources indicated in Attachment A. RESOLUTION 18975.
11. The Board unanimously approved certain capital improvements and related projects, for an aggregate cost not to exceed \$5,937,645 to be paid out of previously approved 2016 capital funds. RESOLUTION 18976.
12. The Board unanimously approved certain capital improvements and related purchases of design and construction services and equipment, for the purpose of converting an existing operating room into a hybrid operating room equipped with a flexible fluoroscopic system, for costs not to exceed \$2,500,000, to be paid out of the previously authorized 2016 capital budget. RESOLUTION 18977.
13. The Board unanimously approved the services of FTI Consulting, Inc. for the purposes of providing clinical integration assistance and support. The fees for the initial phase will not exceed \$1,900,000, to be paid out of general operating funds. RESOLUTION 18978.

E. Legal and Government Relations Committee – None

F. Patient Experience Committee – None

G. Executive Committee – None

H. Quality and Safety Committee – No Meeting

3. President and CEO's Report

Dr. Boutros began his report by providing some highlights from his President's Report, the first being the Spare a Pair campaign. MetroHealth partnered with several organizations, including Discount DrugMart, with the goal of collecting two pairs of socks for each homeless individual in Cuyahoga County. He reported that 6,109 pairs of socks were delivered to various shelters just this morning, we were able to meet some recipients of the socks, and said it was featured on Cleveland.com and Fox8. After finding out boots and shoes are also needed, Dr. Boutros mentioned efforts will be made to build on this campaign next year to provide those as well.

Dr. Boutros then mentioned certain individuals honored recently, Dr. Connors, Liz Booth, and Karim Botros, as well as reporting that the Health and Human Services Levy passed with 72% of the vote. He noted that both Health and Human Services Levies combined will raise about \$280 million and of that MetroHealth receives about 13%, the ADAMHS Board receives over 15%, and the majority of funds is given to Family and Children's Services. He went on to state that MetroHealth celebrated the 40th Anniversary of the opening of the Clement Center, the first and longest running community health initiative in Cuyahoga County created by Dr. Kenneth Clement, a surgeon, faculty member, and a member of the MetroHealth Board of Trustees. This event was attended by Dr. Clement's two daughters.

Dr. Boutros reported that the former HealthSpan Emergency Rooms, now MetroHealth Emergency Rooms, in Parma and Cleveland Heights, are in operation, have exceeded

expectations, and have been received very well by the community. He also noted that he had been invited to speak at the Mayo Clinic concerning changes in health care, reporting that this would be broadcast to approximately 7,000 people. Dr. Boutros then introduced Dr. Bernard Boulanger to the Board of Trustees as our new Chief Clinical Officer who began at MetroHealth on March 1st and thanked Dr. Connors for his service as he transitions to his new role as Chief Quality Officer. Lastly, he stated that he and Joe Cimperman will be having a discussion on Good Friday concerning the development of the near West side of Cleveland and the role of large corporations, health systems and others in the area.

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

Ms. Kline shared with the Board some successes from 2015 in the nursing enterprise, the largest accomplishment being nursing research. She reported a 15% increase in publications for a total of 27, a 23% increase in presentations for a total of 27, and a 26% increase in research studies-- currently 39 studies are being completed. MetroHealth's RN turnover was the second lowest in the past five years (or 7%) and half of the national average of 14%. She reported that 36% of nurses have been employed at MetroHealth for 10 years or longer, and 64% of the nurses have a Bachelor's degree or higher, noting that some of the most important factors associated with having a bachelor of science in nursing (BSN) are lower mortality rates, lower failure to rescue, fewer hospital-acquired conditions and fewer medication errors. These statistics show that MetroHealth nurses are well on their way to achieving the goal that medicine has set with becoming 80% "BSN prepared" in the nursing workforce by the year 2020. There was also an increase of 11% in the number of certified nurses, currently 327, which when combined with the bachelor's degree enhances outcomes for patients. Ms. Kline reported that National Nurses Week will be celebrated at MetroHealth beginning May 9 and ending May 13 and that the annual awards ceremony will be held on Tuesday, May 10, at noon, with further details provided at a later date. Lastly, she discussed the successful opening of the Cleveland Heights and Parma Emergency Departments and the status of employment opportunities at both of those locations.

5. Medical Staff

A. Report of Medical Staff

Dr. Connors began his report by reiterating what Dr. Boutros had discussed regarding the 40th Anniversary of the opening of The Clement Center. He stated several individuals attended the event thinking they were going to present presidential medals to a few participants; as it turned out, approximately 50 people participated and certificates were passed out because there were not enough medals in supply to meet the needs of the participants. He mentioned that it was a wonderful event and that most of the staff from the Trauma Center attended, as well as many individuals attended who are loyal to MetroHealth. Dr. Connors then thanked the Board for the pleasure of serving in the capacity as Chief Medical Officer and current Chief Clinical Officer for the last seven years, mentioned it was an honor to serve in that capacity, and was looking forward to serving the Board and MetroHealth as Chief Quality Officer.

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

1. The Board unanimously approved the Medical Staff Appointments/Actions for February/March 2016. RESOLUTION 18979.
2. The Board unanimously approved the Allied Health Appointments/Actions for February/March 2016. RESOLUTION 18980.

C. Medical Executive Committee Minutes – February 12, 2016

D. Report of Medical Staff President – Dr. Williams

Dr. Williams reported that the Medical Staff will be holding its monthly meeting on Tuesday evening, March 29, to have a special welcome to the new Chief Clinical Officer as well as brothers and sisters joining MetroHealth from HealthSpan. It is for this reason there will be no regularly scheduled Thursday morning meeting of the Medical Staff. Personal invitations were sent to the homes of all providers and the Medical Staff will start the meeting with a history timeline presented by Dr. Fratianna, who has been a faculty member at MetroHealth for more than 50 years. Dr. Boulanger will then speak to the Medical Staff and will be available to answer any questions. Dr. Laskey also will be having a special ceremony recognizing the top performers with respect to patient experience. Dr. Williams stated that 189 faculty members have already responded and will be in attendance at this event.

E. Report of Case Western Reserve School of Medicine

Dr. Thomas announced that Case Western Reserve received the Accreditation Review Commission provisional accreditation for the Physician Assistant educational program and has started accepting students. These students will be visiting the campus on May 22nd. She then noted that Case had a successful match day for the 198 graduating seniors, with 50 students staying in Ohio. She reported 12 students matched in family medicine and eight matched at MetroHealth, three in emergency medicine and the others in PM&R, OB/GYN, and primary medicine. She stated that 80% of the U.S. graduates matched in their top three and U.S. graduates are replacing international graduates in many residency programs. Lastly, Dr. Thomas took the opportunity to thank the faculty for mentoring the students.

6. Audit Committee

A. Report of Committee Chairperson

Dr. Silvers began his report by stating that MetroHealth received a clean audit from RMS, the external auditor, noting that two minor things needed changing in terms of process. Jim Mylen gave an update on Internal Audit. MetroHealth has a contract with KPMG to perform internal audit work with one person on staff designated to assist. There were also updates on the construction cost review project, Compliance and HIPAA privacy.

Mr. Richmond expanded on Dr. Silver's report stating that MetroHealth did receive a clean audit by RSM, formerly known as McGladrey, who have been MetroHealth's auditors for approximately the last seven years. He also reported two control findings where there are opportunities to process improvement, those being around training and education of professionals in our organization. Mr. Richmond mentioned that Jim Mylen, a partner with KPMG, has been designated to oversee management and oversight of the Internal Audit Department and that together he and his team have been servicing MetroHealth for quite some time. Mr. Mylen discussed 19 audits planned for 2016, which equates to about 5,500 hours.

B. Non-Consent Agenda

1. Action Items - None
2. Information Items
 - a. Fiscal Year 2015 Audit Report – Lori Kalic
 - b. 2016 Internal Audit Updates – Jim Mylen
 - c. Construction Cost Review Project Update – Craig Richmond
 - d. Compliance Update – Mary Legerski
 - e. HIPAA Privacy and Security Update – Joe Dickinson

7. Diversity and Inclusion Committee – No Meeting

8. Facilities and Space Committee

A. Report of Committee Chairperson

Mr. Monnolly began his report by reviewing 2015 construction and facility work. Karen Dethloff gave the Facility Management year-end summary, noting that \$151,500 was received in rebates from FirstEnergy with respect to energy initiatives and the demand response program. MetroHealth began using generators to produce our own electricity for the hospital. Facilities completed 56,800 work orders with its employees, 36% more than the prior year, 64% attributed to damage or repairs, and 36% concerning compliance issues. In 2015, MetroHealth invested \$6 million in its infrastructure, including approximately 83 projects to improve and update systems, and had approximately 130 utility interventions, 52% of the problems caused by the age of the infrastructure such as plumbing problems, electrical power outages or heating and cooling systems.

Mr. Monnolly then stated that Rick Mayer gave a Construction Department update, noting that Brecksville is proceeding on schedule and he gave a detailed update on the status of the facility work and how the Brecksville facility is beginning to be identified as one of MetroHealth's buildings. He reported that the Ohio Department of Transportation designated a new ramp off 77 South which will give us better access to the property. Mr. Monnolly then reviewed the status of the Critical Care Pavilion in detail, informing the Board that a benchmark room was built for one of the patient rooms and other rooms will be built following those standards. He indicated that dual headboards will be installed in each room for oxygen and other apparatus and, in case of a major disaster, what was a one bedroom can easily hold two beds. Further discussion took place regarding the ICU beds, the crane being disassembled and removed from the site, and the Critical Care Pavilion scheduled for completion around June 1st and Brecksville scheduled for completion approximately July 1. Lastly, he said the Committee reviewed capital projects and then went into Executive Session to discuss real estate and trade secrets matters.

B. Non-Consent Agenda

1. Action Items - None
2. Information Items
 - a. Facilities Management Annual Report
 - b. Construction Management Status and Update

9. Finance Committee

A. Report of Committee Chairperson

Dr. Silvers began his report by stating that MetroHealth was running at a loss for the first quarter 2016, which was planned in the budget but not as good as hoped. He stated MetroHealth is behind in terms of margins due to a decline in business and inpatient surgery and that the Committee will be emphasizing quarterly results thoroughly. Dr. Silvers mentioned that Mr. Richmond will be performing quarterly projections so we can better determine how we're proceeding toward the target for the year. There was further discussion on certain consent items.

Mr. Richmond commented on certain items reviewed by Dr. Silvers, noting that the focus of the Finance Committee was going to be on quarterly rather than monthly reports. He stated the financial package, including the Management's Discussion and Analysis and Financial Highlights which covers the income statement and the balance sheet, will continue to be received monthly. He reiterated what Dr. Silvers reported, but also stated that in February MetroHealth exceeded the budget by approximately 9%. Mr. Richmond also reviewed several other matters: investments being made beginning 2016 that would show as expenses but do not have offsetting revenues; the end of the year target being \$17.4 million; exceeded operating income by 9%; outpatient business picking up; and the first two months of 2016 off by approximately 300 discharges. He stated that

Dr. Boulanger updated the Committee on the status of what was taking place across the national and the local market as it relates to the flow. Lastly, Mr. Richmond reported that through March 21 inpatient discharges and observations were off by a percentage point, equating to about 19 related cases; surgeries were up by 2%, equating to 17 cases; outpatient visits were up by 6%, equating to 3,500 visits; and gross revenue was up by 3%, equating to \$5 million in gross charges.

B. Non-Consent Agenda

1. Action Items - None
2. Information Items
 - a. Monthly Financial Report – February 2016 – Craig Richmond
 - b. Management’s Discussion and Analysis/Financial Highlights – February 2016

10. Legal and Government Relations Committee

A. Report of Committee Chairperson

Mr. Spain began his report by stating the Legal and Government Relations Committee met just prior to this Board meeting and that there were no action items. Updates were received on the status of the Government Relations Department due to retirement and employees who are on leave and additionally focusing on matters relating to an infant mortality project. He mentioned Elizabeth Allen is working with the Center for Community Solutions and John Corlett on Medicaid matters. Dr. Boutros elaborated on the Affordable Care Act expanding coverage and how that has severely affected change to the Medicaid rules in relation to money shifting from safety net hospitals with large amounts of Medicaid patients to non-safety net hospitals with a smaller amount of Medicaid patients. A few more items reported were: the acquiring of the HealthSpan Emergency Departments in Cleveland Heights and Parma and how Life Flight can land at Cleveland Heights but needs to find a site in Parma to land; the Department working with Cuyahoga County to finalize the details of the Investment Policy; Cuyahoga County completing their due diligence on MetroHealth’s transformation plan and waiting to receive a report from their consultants. Lastly, the Committee was updated on the trial calendar and claims activity, noting that in 2015 only 19 claims were paid showing the quality and expertise in the organization.

B. Non-Consent Agenda

1. Action Items - None
2. Information Items
 - a. Government Relations Update
 - b. Risk Management Report

11. Patient Experience Committee

A. Report of Committee Chairperson

Ms. Dee stated that the Patient Experience Committee met on March 9 and Dr. Laskey began by talking about patient retention as it relates to patient experience. A visual map was presented showing various initiatives such as Pathways to Caring, Pathways to Loyalty, Iround, EMMI, Volunteering, and others and how each area contributes to patient relationships, how they feel about the hospital, and a patient’s willingness to come to MetroHealth for their health care needs. Katrina Dubovikova and Mary Linda Rivera updated the Board on the final patient experience scores, noting that in 2015 approximately 2.4% more patients rated MetroHealth in the top box as the highest level of satisfaction as compared to 2013 and MetroHealth reaching the minimum target of the 42nd percentile to recommend MetroHealth in 2015. Dr. Dave Kuentz followed with a physician relationship centered communication initiative which gives providers tools which assist with empathetic listening skills and understanding the importance of effective patient provider

communication. Jennifer Lastic updated the Board on the Patient and Family Advisor Program which is a volunteer program that recruits and trains individuals who are then assigned to patients to assist in particular situations involving their care. Ms. Dee informed the Board that this program was featured on the Institute for Patient-and-Family-Centered Care website and Ms. Lastic and Dr. Smith will be presenting this program at the TeamSTEPS National Conference. Lastly, Linda Jackson presented the Arts and Medicine Update and talked about how participatory arts have been so well received by patients in the hospital and also the effect of having visual art integration on the walls in units at the hospital and its effect on the health of patients and the community.

B. Non-Consent Agenda

1. Action Items - None
2. Information Items
 - a. Patient Retention as it Relates to Patient Experience - Sara Laskey, M.D.
 - b. 2015 Final Scores/Revised Scorecard Format - Katrina Dubovikova/
Mary Linda Rivera
 - c. Physician/Relationship-Centered Communication – Dave Kuentz, M.D.
 - d. PFA Advisory Council – Report on Activity – Jennifer Lastic
 - e. Arts in Medicine – Update – Linda Jackson

12. Executive Committee – No Report

13. Quality & Safety Committee – No Meeting

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

Ms. Allen began her report by stating that everyone should have received a Save the Date invitation to the Annual Meeting being held on Thursday, June 9, 2016, at 8 a.m. at the Global Center for Health Innovations, noting the last two years it had been held in May. She noted that our goal was to reach out to every individual, as well as to acquaintances in the community, to invite not only the individuals whom MetroHealth serves but those who support MetroHealth. Ms. Allen then announced that on April 11 MetroHealth will launch a new multi-media advertising campaign with several digital TV components that will not only continue MetroHealth's brand message but will also make a direct transition to health and wellness as MetroHealth moves toward population health. This move will involve a tagline of Change is Healthy, indicating that MetroHealth is changing the way we are delivering and managing care by focusing on keeping people healthy.

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

Ms. Brown began her report by stating there are 59 days and 1 hour left until the MetroHealth GALA 2016 event. She thanked those who have stepped forward to support the event and stated that approximately \$700,000 has been received and following up on another \$500,000 more. Crain's featured a full page ad announcing the heritage medal honorees who will receive the medals at the event and also informed the Board that Morton Mandel, Senator George Voinovich, Sandy Pianalto, Richard Pogue, Rev. Otis Moss, and Mayor Frank Jackson will be attending. Ms. Brown's team is working closely with the Cleveland Institute of Art on finalizing the design of the Cleveland Heritage Medal.

Ms. Brown also reported on a gift received by MetroHealth that touches the heart and puts a smile on one's face. A KeyBank statement was received stating that Alice Schmotzer had included MetroHealth in her Estate Plan and had left a gift of approximately \$16,500 to MetroHealth to care for those in need as her legacy after she passed away. Ms. Brown researched Mrs. Schmotzer and found out that she grew up in Old Brooklyn, made her first annual fund gift to MetroHealth in the amount of \$10 in 1993, attended Case Western Reserve

University, was a teacher in both the Parma and Geagua School Systems, and volunteered her time at MetroHealth for approximately 20 years.

Lastly, Ms. Kirk, Chair of the Foundation Board, reported that several individuals had an opportunity after the last MetroHealth Foundation Board meeting to visit the Labor and Delivery Unit and see the clinicians and caregivers delivering their services to those patients in need and recognized what a powerful experience it was and seeing the needs of those patients receiving services. Lastly, Ms. Brown announced to the Board that Michelle Wood, in addition to being Director of Operations of Foundation and System Philanthropy, is also taking on the responsibility of Chief Operating Officer of The MetroHealth Foundation.

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.

Following the Executive Session, the meeting reconvened in open session at approximately 6:30 p.m.

The meeting adjourned at approximately 6:30 p.m.

NEXT MEETING: April 27, 2016 (WEDNESDAY) – 4 p.m.

The MetroHealth System

Respectfully submitted,

Thomas McDonald, Chairperson

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