

EXECUTIVE/PERSONNEL COMMITTEE MEETING  
BOARD OF TRUSTEES  
THE METROHEALTH SYSTEM  
May 11, 2016

Committee Members Present: Mr. McDonald, Mr. Monnolly, Dr. Silvers, Ms. Whiting

Additional Trustees Present: Ms. Dee, Rev. Minor, Mr. Moss, Mr. Schneider, Mr. Spain

Staff Present: Dr. Boutros, Ms. Allen, Ms. Bechtle, Mr. Botros, Dr. Connors,  
Mr. Jones, Mr. Lewis, Mr. Phillips, Mr. Richmond, Mr. Stern

Mr. McDonald called the meeting to order at approximately 8:00 a.m.

The minutes for the meeting of April 13, 2016 were approved as submitted.

April Financials

Mr. Richmond briefly discussed the April Financials noting that the month had just been closed. He provided an overview of the month both by site and on a roll-up basis. He noted that the new sites (former HealthSpan) had a \$2.2M loss largely due to ramp-up expenses, including hiring new FTEs and the costs associated with the Transition Services Agreement (TSA) with Mercy. Next he noted that overall the System had net operating income of \$522,000, approximately \$1.8M below budget. Mr. Richmond summed up by noting the core business was approximately \$2.7M but the new sites were showing a \$2.2M loss for the month.

Mr. Richmond and Dr. Boutros then reviewed start-up costs and further detail regarding the transition and the addition of FTEs for the new sites. They indicated that next month there would be a full analysis of the HealthSpan integration with profit/ loss by site.

Mr. Richmond also noted that the System has engaged FTI Consulting through September to assist in the rollout of the HealthSpan business with the object being the TSA would conclude on September 1, 2016.

Mr. Richmond then reviewed additional information concerning the core business in terms of other revenues and expenses. Dr. Boutros also discussed these changes in the System's business, the need to direct the focus from inpatient to outpatient, and the impact that this shift to outpatient had been somewhat underestimated. He indicated that leadership would be working over the next two months to get the core business back to pre-HealthSpan focus in terms of the physician location and related integration disruptions. He also indicated that we would be closely watching the FTE count and other expense items.

Mr. Richmond noted that year to date there was a loss of \$7.95M against the budgeted loss of \$8.037. He indicated that going forward, every month until November the budget called for

positive net income. In conclusion, he noted that the core business was approximately \$2.7M but that the new sites were showing a \$2.6M loss.

#### Committee Assignments

Mr. McDonald next discussed and reviewed the proposed committee assignments on the handout that he had provided to the other board members and these assignments were discussed. Ms. Dee noted that she had wanted to be added to the diversity committee and Mr. McDonald noted that that would be taken care of.

#### Executive Session

Mr. McDonald indicated that the only matters to be considered involved Trade Secrets. Upon unanimous roll call vote, the Committee went into Executive Session to discuss such matters.

At the end of Executive Session, the Committee reconvened the meeting in open session.

The meeting was adjourned at approximately 10:30 p.m.

Respectfully submitted,

Mr. Thomas M. McDonald  
Chair