

THE METROHEALTH SYSTEM
BOARD OF TRUSTEES
LEGAL & GOVERNMENT RELATIONS COMMITTEE

December 21, 2016

Present: Committee Members: Thomas McDonald, Charles Spain, Vanessa Whiting

Other Trustees: Maureen Dee

Staff: Dr. Akram Boutros, Elizabeth Allen, Dr. Alfred Connors,
Marlene Franklin, Michael Phillips, Craig Richmond

The meeting was called to order at 2:10 p.m. by Mr. Spain. 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.

I. The minutes of the September 28, 2016, meeting were approved.

II. Consent Items

1. Recommendation to the President and Chief Executive Officer of The MetroHealth System for Approval to Extend the Current Expiring Corporate Insurance Policies to December 31, 2016

Mr. Spain informed the Board that the first recommendation is from the Chief Legal Officer to the President and Chief Executive Officer for the extension of the current expiring corporate insurance policies to December 31, 2016, for a total pro rata premium not to exceed \$45,225.

Upon motion made and seconded, the Committee resolved to recommend approval of extending the current expiring Corporate Insurance Policies to December 31, 2016.

2. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Excess Professional and General Liability Insurance from Lloyd's of London

Mr. Spain requested approval of the purchase of claims-made excess Professional and General Liability Coverage with limits of \$35,000,000 excess of a primary policy with professional liability limits of \$5,000,000, and an inner aggregate retention of \$2,000,000, for professional liability claims and general liability limits of \$1,000,000, provided by Lloyd's of London Syndicate for a total premium of \$1,300,000 for policy period January 1, 2017, through December 31, 2017, to be paid out of operating funds.

Upon motion made and seconded, the Committee resolved to recommend approval of the purchase of claims-made excess Professional and General Liability Coverage.

3. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Directors and Officers and Employment Practices Liability Insurance Policy from Ace USA Insurance Company

Mr. Spain requested approval of an annual premium expenditure for the purchase of Directors and Officers Liability and Employment Practices Liability Insurance Coverage with limits of \$15,000,000 from Ace USA Company, for a premium of \$134,107 for policy period January 1, 2017, through December 31, 2017, to be paid out of operating funds.

Upon motion made and seconded, the Committee resolved to recommend the purchase of Directors and Officers Liability and Employment Practices Liability Insurance Coverage from Ace USA Company.

4. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Employee Crime Insurance from Beazley Specialty Company

Mr. Spain requested approval of the purchase of crime policy coverage from Beazley Specialty Company with limits of \$10,000,000 and a \$100,000 deductible, for a total premium of \$25,249 for the policy period commencing January 1, 2017, through December 31, 2017, to be paid out of operating funds.

Upon motion made and seconded, the Committee resolved to recommend the purchase of Crime Policy Coverage from Beazley Specialty Company.

5. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Information Network and Privacy Security Insurance from Beazley Specialty Company

Mr. Spain requested approval of the purchase of Information Network and Privacy Security Insurance with limits of \$10,000,000 and a retention of \$250,000 from Beazley Specialty Company for a premium of \$148,988 for policy period January 1, 2017, through December 31, 2017, to be paid out of operating funds.

Upon motion made and seconded, the Committee resolved to recommend the purchase of Information Network and Privacy Security Insurance from Beazley Specialty Company.

6. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Non-Owned Aircraft Liability and Helipad Liability Insurance from Ace Property and Casualty

Mr. Spain requested approval of the purchase of Non-Owned Aircraft Liability and Helipad Liability Insurance written by ACE Property and Casualty, for a total premium of \$9,583 for the policy period January 1, 2017, through December 31, 2017, to be paid out of operating funds.

Upon motion made and seconded, the Committee resolved to recommend the purchase of Non-Owned Aircraft Liability and Helipad Liability Insurance written by ACE Property and Casualty.

7. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Automobile Liability Insurance Underwritten by the Public Entities Pool of Ohio

Mr. Spain requested approval of the purchase of Automobile Liability Insurance underwritten by the Public Entities Pool of Ohio, for the one-year period commencing January 1, 2017, through December 31, 2017, for automobile liability coverage of \$2,000,000 each accident with no deductible, and a \$1,000 deductible for the comprehensive property and collision coverage, for a contribution of \$177,820, to be paid out of operating funds.

Upon motion made and seconded, the Committee resolved to recommend the purchase of Automobile Liability Insurance underwritten by The Public Entities Pool of Ohio.

8. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Employed Lawyers Professional Insurance

Mr. Spain requested approval of the purchase of Employed Lawyers Professional Insurance from Chubb for the one-year period January 1, 2017, to December 31, 2017, for an annual premium expenditure in an amount not to exceed \$11,796, to be paid out of operating funds.

Upon motion made and seconded, the Committee resolved to recommend the purchase of Employed Lawyers Professional Insurance from Chubb.

9. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of a Claims-Made Comprehensive General and Professional Liability Insurance Policy from Lloyds of London for the MetroHealth System's Personnel Performing Services at the Cuyahoga County Department of Corrections

Mr. Spain requested approval of the purchase of a claims-made comprehensive general and professional liability insurance policy from Lloyds of London for The MetroHealth System's personnel performing services at the Cuyahoga County Department of Corrections, with professional liability limits of \$3,000,000 per claim/\$5,000,000 in the aggregate, and general liability limits of \$1,000,000 per claim/\$3,000,000 aggregate with a \$1,000,000 limit for sexual misconduct, a deductible of \$25,000 and an inner aggregate of \$150,000, for a premium not to exceed \$271,007 for the period of January 1, 2017, through December 31, 2017, to be paid out of general operating funds.

Upon motion made and seconded, the Committee resolved to recommend the purchase of claims-made comprehensive general and professional liability insurance policy from Lloyds of London.

10. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Primary Professional and General Liability Insurance from Select Assurance Captive, LLC

Mr. Spain requested approval of the purchase of primary claims-made Professional and General Liability Coverage with professional liability limits of \$5,000,000 and general

liability limits of \$1,000,000, provided by Select Assurance Captive, LLC for a total premium not to exceed \$11,500,000 for policy period January 1, 2017, through December 31, 2017, to be paid out of operating funds.

Upon motion made and seconded, the Committee resolved to recommend the purchase of primary claims-made Professional and General Liability Coverage provided by Select Assurance Captive, LLC.

11. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Medical Stop Loss Insurance from Select Assurance Captive, LLC

Mr. Spain requested approval of the purchase of medical stop loss insurance, with limits of \$1,000,000 per covered person, with a self-insured retention per covered person of \$500,000, provided by Select Assurance Captive, LLC for a total premium not to exceed \$500,000 for policy period January 1, 2017, through December 31, 2017, to be paid out of operating funds.

Upon motion made and seconded, the Committee resolved to recommend the purchase of medical stop loss insurance provided by Select Assurance Captive, LLC.

12. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Reaffirmation of the Conflicts of Interest Policy

Mr. Spain requested approval of the reaffirmation of the Conflicts of Interest Policy for 2016-2017.

Upon motion made and seconded, the Committee resolved to recommend reaffirmation of the Conflicts of Interest Policy for 2016-2017.

13. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Reaffirmation of the Policy Relative to the Open Meetings Law

Mr. Spain requested approval of the reaffirmation of the Policy relative to the Open Meetings Law for 2016-2017.

Upon motion made and seconded, the Committee resolved to recommend reaffirmation of the Policy relative to the Open Meetings Law for 2016-2017.

III. Discussion Items

- Update – 21st Century Cures Act

Ms. Allen reported that the 21st Century Cures Act was passed by both Houses of Congress and that the President had signed it, noting it does two things to assist MetroHealth: (1) adjusts the hospital readmissions reduction program to account for socioeconomic status, which includes conditions such as poverty, employment, housing, and access to food which leads to higher readmission rates (study shows 30-40%); and (2) the law that passed with respect to hospital outpatient departments (HOPD) which

will allow MetroHealth to bill as a hospital outpatient department starting January 1, 2018, for projects that were in mid-build, such as Brecksville and possibly be able to do the same with the significant improvements made to Cleveland Heights and Parma.

- Risk Management Report

Ms. Franklin's report was reserved for Executive Session.

A motion was unanimously passed by roll call vote to hold an executive session to consider litigation and trade secrets.

Following the executive session, the meeting reopened.

IV. Action Items

1. Approval of Claim No. 15-04-0414

Upon motion made and seconded the Committee resolved to recommend to the Board of Trustees the proposed settlement of Claim No. 15-04-0414 in an amount not to exceed \$300,000, to be paid from The MetroHealth System Self-Insurance Trust Fund.

2. Approval of Claim No. 16-30-0816

Upon motion made and seconded the Committee resolved to recommend to the Board of Trustees the proposed settlement of Claim No. 16-30-0816 in an amount not to exceed \$1,000,000, to be paid from operations, to be submitted for reimbursement to Select Assurance Captive LLC.

3. Approval of Liability Claims Under \$100,000 for 2016

Mr. Spain requested approval of the settlement of professional and general liability claims against The MetroHealth System in an amount as set forth in the confidential addendum to be paid from the general operating fund.

Upon motion made and seconded the Committee resolved to recommend to the Board of Trustees the proposed settlement of professional and general liability claims for 2016 in the amount set forth in the detailed listing of these claim settlements in the confidential addendum which is made a part of this Resolution, to be paid from the general operating fund.

4. Approval of Workers' Compensation Claims At or Under \$100,000 for 2016

Mr. Spain requested approval of the settlement of the Bureau of Workers' Compensation claims against The MetroHealth System in an amount as set forth in the confidential addendum to be paid from the Workers' Compensation Fund.

Upon motion made and seconded the Committee resolved to recommend to the Board of Trustees the proposed settlement of the Bureau of Workers' Compensation claims for 2016 in the amount set forth in the detailed listing of these claim settlements in the

confidential addendum which is made a part of this Resolution, to be paid from the Workers' Compensation Fund.

Ms. Franklin updated the Committee on the upcoming trial docket.

There being no further business, the meeting adjourned at 3:20 p.m.

Respectfully submitted,

Michael Phillips
Senior Vice President and Chief Legal Officer