

BOARD OF TRUSTEES
The MetroHealth System

- Date:** July 22, 2020
- Time:** 4:00 p.m.
- Place:** The MetroHealth System Board Room
- Present:** Ms. Dee, Mr. Hairston, Mr. Hurwitz (via telephone), Mr. Moreno, Mr. Moss, Dr. Silvers (via telephone), Ms. Whiting (via telephone)
- Staff:** Dr. Boutros, Dr. Boulanger, Ms. Brown (via telephone), Dr. Chehade, Ms. Jacono (via telephone), Ms. Kline (via telephone), Mr. Nevel (via telephone), Mr. Phillips, Ms. Platten, Mr. Richmond, Mr. Stern, Ms. Wahl (via telephone), Dr. Watts (via telephone), Dr. Lovich-Sapola (via telephone)
- Guests:** Mr. Brian M. O'Neill, Chair, Board of Directors, The MetroHealth Foundation (via telephone)
Dr. Lia Logio, New Vice Dean of Medical Education, Case Western Reserve University School of Medicine (via telephone)

MINUTES OF MEETING

The meeting was called to order by Ms. Whiting participating by telephone, in accordance with Section 339.02(K) of the Ohio Revised Code and due to the Declaration of a State of Emergency declared by Governor DeWine.

(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 Board Meeting of May 28, 2020. RESOLUTION 19370.

2. Consent Agenda

A. Audit and Compliance Committee – None

B. Community Engagement Committee – None

C. Diversity Committee – No Meeting

D. Executive Committee - None

E. Facilities and Space Committee

1. The Board unanimously approved the amendment of the agreement with HGA Architects and Engineers, LLC to provide additional architectural and engineering services for the Campus Transformation Project; the total fees for this additional work shall not exceed \$400,000, for a total amended fee amount not to exceed \$35,317,953 to be paid out of capital funds previously approved through Board Resolution 19088. RESOLUTION 19371.

2. The Board unanimously approved the engagement of ATC Group Services, LLC to provide environmental assessment services for the Campus Transformation Project for fees based on unit pricing for specific categories of anticipated environmental assessment services required for designated building demolition areas, not to exceed \$1,000,000 to be paid out of capital funds previously approved through Board Resolution 19088. RESOLUTION 19372.
3. The Board unanimously approved a lease for a health center location as more fully described in Attachment A and associated capital expenditures not to exceed \$5,742,000. RESOLUTION 19373.
4. The Board unanimously approved the engagement of a construction manager at risk to provide preconstruction services (Preconstruction CMAR), permitting and demolition at the System's Old Brooklyn Campus; the total fees for the Preconstruction CMAR's work shall not exceed \$500,000 to be paid out of capital funds previously approved through Board Resolutions 19348 and 19349. RESOLUTION 19374.
5. The Board unanimously approved the engagement of Cannon Design to provide architectural services for the System's Main Campus Outpatient Tower Project for fees not to exceed \$933,065, including reimbursables to be paid out of capital funds previously approved through Board Resolution 19088. RESOLUTION 19375.

F. Finance Committee

1. The Board unanimously approved the purchase of certain capital equipment and additional associated capital as described in Exhibit A. RESOLUTION 19376.
2. The Board unanimously approved a donation in an aggregate amount of \$240,000 to Digital C, to be paid out of general operating funds, that will further efforts to ensure affordable digital access and address important social determinants of health that MetroHealth expects will improve health outcomes within the community. RESOLUTION 19377.

G. Governance Committee – No Meeting

H. Legal and Government Relations Committee – None

I. Quality and Safety Committee – No Meeting

3. President and CEO's Report

Dr. Boutros reported on the continued COVID testing that MetroHealth provides to the community, noting approximately 6,000 community tests have been conducted to date and the partnerships with the GCC and the churches are going well, and we will continue to do testing through July and August. MetroHealth is ranked in the top 98% of all hospitals and health systems in the nation for inclusivity and community health. In reviewing hospitalized cases in Cuyahoga County from April 15 to July 22, MetroHealth has been averaging approximately 150-160 patients during the COVID-19 pandemic, increased to approximately 250 patients in late May, and began to spiral down to June 24, noting an increase began and has remained at an average of approximately 250 patients for the three weeks in July due to hospitals being open for business and conducting testing for individuals who are returning to the hospital for surgical procedures and becoming inpatients. Dr. Boutros stated that the percentage of hospitalized patients in Cuyahoga County who were either in the ICU or on ventilators has continued to decrease, noting that is the case for MetroHealth as well with 9 to 10 people on ventilators and

approximately 15 people in the ICU at peak. MetroHealth is seeing 13 to 17 COVID positive patients per day with approximately 2 to 3 admissions per day as well as 2 to 3 discharges per day, noting 17 total mortalities since March and young individuals between the ages of 30 and 50 coming in very sick. The balance of his report is in the book recognizing multiple individuals for receiving certain grants or for their accomplishments.

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

Ms. Kline stated the highlight of the nursing report is a site visit for Magnet on September 2 through September 4. Due to the COVID-19 pandemic this visit will be virtual, meaning all the staff meetings with Magnet will virtual and conducted through a Webex tech format similar to the meetings conducted with the MetroHealth Board of Trustees. The appraisers for Magnet will write and submit their report to the Commission on Magnet Recognition; MetroHealth should receive results of the visit by the end of October or beginning of November 2020.

5. Medical Staff

A. Report of Medical Staff President – Dr. Jessica Lovich-Sapola

Dr. Lovich-Sapola reported that Dr. Sanjay Gandhi is the new President-Elect of the Medical Staff and Dr. Sandy Werner will be moving into the role of Past President. The entire Medical Staff voted on and support a Statement of Racism, Health Equity and Health Disparity. She reported the tremendous work again in Telemedicine, a process called Snapshot developed, and the enhanced recovery after surgery pathways discussed by Dr. Brook Watts. At the request of Dr. Lovich-Sapola, Ms. Whiting made a motion and the Board unanimously approved the Medical Staff Providers Appointments and Actions for July 2020, as well as the Medical Executive Committee Minutes of June 12, 2020.

B. Approval of Medical Staff Providers Appointments and Actions – July 2020

1. The Board unanimously approved the Medical Staff Providers Appointments and Actions for July 2020. RESOLUTION 19378.

C. Medical Executive Committee Minutes – June 12, 2020

D. Report of Case Western Reserve University (CWRU), School of Medicine – Dr. Lia Logio, New Vice Dean for Medical Education

Dr. Logio reported that she began as Vice Dean for Medical Education at Case Western Reserve University School of Medicine (CWRU) on July 1, 2020. Work being done at CWRU includes research related to the COVID issues, and she thanked everyone at MetroHealth for accommodating the CWRU students, wanting them to graduate on time, participate in next year's work force and assisting with all that has happened related to COVID. Dean Stan Gerson is the new Dean at CWRU and is planning on multiple meetings with individuals and rotating to see everyone, noting one of his priorities is being responsive to the conversation in our country right now concerning race. The medical students have been proactive in developing an action plan for updating the curriculum and creating programs to be more inclusive and welcoming all people.

6. Audit and Compliance Committee

A. Report of Committee Chairperson McDonald

Craig Richmond, Chief Finance Officer, reported to the Board in the absence of Chair McDonald. Cheryl Wahl began her report with a review of the second quarter

Compliance program activities. The 2020 Work Plan is 70% complete for January through May projects, and the overall Work Plan is 45% complete year to date. Highlights provided by Ms. Wahl included: (1) Compliance launching an electronic system for reporting and managing conflicts of interest entitled CONI; (2) expanding the engagement of Compliance Professionals of Greater Cleveland, a group founded by the MetroHealth Compliance team which consists of different compliance professions from various industry groups within the Cleveland area; (3) the Speak Up campaign launched in late 2019 continues to positively impact a number of reports to the MetroHealth Ethics Line (MEL); and (4) the Department of Justice issued revised guidelines for the evaluation of corporate compliance programs describing the areas that are considered in evaluating the effectiveness of a corporate compliance program.

Jim Mylen, the Office Managing Partner at KPMG and MetroHealth's Director of Internal Audit, stated that the Internal Audit Plan is 20% complete and on track for 2020. In the second quarter Internal Audit performed a rapid risk assessment to evaluate the COVID-19 response and the impact on key business functions resulting in scope updates for 12 internal audits; a white paper was then passed out by KPMG highlighting the COVID-19 areas of focus.

John Croy from RSM provided a construction cost review services report, noting they continue to conduct monthly reviews by examining invoices submitted by consultants and contractors to ensure there is adequate supporting documentation and invoicing with respect to the various agreements.

Geoff Himes, Vice President of Finance, provided an update as it related to the CARES Act Provider Relief Fund which was focused on the terms and conditions that MetroHealth needs to live by in receiving approximately \$70 million in funds, noting MetroHealth must attest to the terms and conditions connected to that funding and these funds being subjected to a year-end audit by RSM as they are considered a federal reward.

David Fiser, CIO, gave an update on security and IT, noting that MetroHealth continues to conduct monthly phishing simulations based on real phishing attacks which are used to test all 8,000 members of the work force. Remote security operations centers established in 2019 provide 7x24x365 cybersecurity monitoring daily and, during COVID-19, an enhanced IT environment was set up to accommodate approximately 1,000 employees who were securely working from home.

B. Non-Consent Agenda

1. Action Items – None
2. Information Items
 - a. 2020 Internal Audit Update
 - b. 2020 Compliance Update
 - c. Enterprise Risk Management Framework
 - d. CARES Act Provider Relief Fund Payment Terms & Conditions
 - e. Cyber Security & IT Update
 - f. Transformation Project Construction Cost Review

7. Community Engagement Committee

A. Report of Committee Chairperson Hairston

Mr. Hairston stated at the Community Engagement Committee meeting in April 2020 that a survey was conducted to review the roster of people who were interested in participating on the Committee. Rita Andolsen, who is no longer with MetroHealth,

conducted the survey and added suggestions and new names of individuals interested. The roster is now complete and will be shared with the Board to create MetroHealth's story in reaching all segments of our community. The focus at this time is reviewing signature programs from MetroHealth for the community, noting that the Institute of H.O.P.E. has done a wonderful job in creating activities that align with MetroHealth's goals and objectives and its performance metrics. Arlene Anderson, who is now working with Alan Nevel, Chief Diversity and Human Resources Officer, gave a presentation that indicates what kinds of skills that we are pursuing with hiring individuals. Joseph Frolik, Senior Vice President of Communications, Government and Community Relations, discussed with the Committee ways to establish better communication with partnerships and collaborations in the community to make further use of the resources MetroHealth has within the Institute of H.O.P.E. Lastly, a review of the Committee Charter needs to be made to ensure it contains an update on the kinds of activities being held by MetroHealth for the community.

B. Non-Consent Agenda

1. Action Items – None
2. Information Items
 - a. Call to Order
 - b. Report from Institute for H.O.P.E.
 - c. Updating on Testing
 - d. MetroHealth Racial Equity Initiative
 - e. Expectations for Committee

8. Diversity Committee – No Meeting

9. Executive Committee – No Report

10. Facilities and Space Committee

A. Report of Committee Chairperson Monnolly

Walter Jones, Senior Vice President of Campus Transformation, reported to the Board in the absence of Chair Monnolly. Karen Dethloff, Vice President of Facilities Management, reported on the efforts her team has completed in response to the COVID-19 situation, noting large and small work being done around the System from the preparation of any of the units being properly pressurized, engineering changes to the installation of "sneeze guards" throughout the System, dealing with recent weather changes to ensure the temperature in the facilities are comfortable, and responding to several calls and emergencies over the past months that have averted any major failures with any of the air conditioning components throughout the System. Her team is managing approximately 60 open projects, many of them infrastructure related projects in various areas around the Main Campus, Parma, West 150th and others. Ms. Dethloff also reviewed the vacancies that they have filled for a Manager of Facility Compliance and Securities System Specialist.

Margaret Hewitt, Director of Planning, Design and Construction, reported on capital project activities, noting the completion in June of the Gile Family Therapy Garden at the Old Brooklyn Campus due to a \$60,000 donation from Chuck Gile and his family toward the completion that has taken approximately two years to complete and is now open and accessible for patients and families. Ms. Hewitt also reviewed other active projects that are currently underway, such as additions for medical equipment, cath labs, CT and linear accelerators, as well as the beginning of pre-design work for the outpatient tower to be located adjacent to the hospital project. Lastly, she gave an update on four

projects on hold and reported to date MetroHealth currently has no cancelled projects in the system.

Mr. Jones gave a report on the state of the Campus Transformation, noting that the project is proceeding on time and on budget and the COVID-19 pandemic has had no adverse impacts to date. The project has currently spent nearly \$200,000,000 out of roughly the \$479,000,000 contract with Turner; so approximately 40% of the contract has been spent to date. MetroHealth is scheduled for a topping out of all the steel framing on August 3, 2020, with more information to come to members for a beam signing and events to occur on that day. He reported there is more steel frame up there, quite a bit of dry wall framing, and catapult installation; in the Central Utility Plant there are pieces of the major equipment for electrical switch gear, generators, cooling towers, chillers, and pumps that have already been installed. Turner has completed all of the contract reports except three, which are basically for day one activities, things like final cleaning. All trades engaged are on board as necessary to complete the construction of the project, noting we expect the curtainwall and the topping off of the seal around August and will start to see parts and pieces arrive the for exterior skin of the tower. The Central Utility Plant is being clad, with glass up already and metal skin to arrive shortly. MetroHealth is still on schedule for a substantial completion date of April 29, 2022 with the final certificate of occupancy expected around late July 2022 and the first patient to arrive in the third quarter of 2022. In our plans for relocating the Women's and Children's services into the hospital tower, we are working with an alternate study we expect to engage with a little different design than when we started that should affect some cost savings and schedule so that all the inpatient services will be able to move into the tower at one time as opposed to the original schedule which included a nine-month delay before certain services come to the new building. Pre-design services of the architectural engineering for the adjacent outpatient tower has been awarded to Cannon Design/CBLH; that work will begin immediately and the final contract of the A&E services should be brought to the Board in October.

Kevin Ortner, Director of Transformation, Operations and Transition, reported on the progress of the request for proposal for the transition planning and activation services for the new hospital. The received submissions included 89 firms registered and 27 submitted responses; there are 10 firms being reviewed for a leadership role for the 10 segments of scope that were identified. A short list should be prepared within the next few weeks. Interviews are scheduled to be held over the Summer with a final selection to be brought to the Board in October to have them ready to begin November 1, 2020.

Dr. Boutros added to the report, noting MetroHealth has decided to fast track the outpatient tower project with two different goals—to have it completely built and outfitted approximately the same time the hospital tower is complete and to not require additional bond capacity to do this from the hospital savings and cash flow. The negotiations for naming of the inpatient tower are almost completed; Dr. Boutros and Kate Brown are working with Mr. Jones on ensuring the appropriate locations designated for the recognition. A dashboard that models the project will be prepared by the team and will be shared monthly with the Board of Trustees.

B. Non-Consent Agenda

1. Action Items – None
2. Information Items
 - a. Facilities Management Update
 - b. Planning, Design and Construction Update
 - c. Campus Transformation Update

11. Finance Committee

A. Report of Committee Chairperson Moss

Mr. Moss began his report with a review of the report given by Craig Richmond of the unaudited second quarter results, beginning with \$71.1 million received as a result of the CARES Act Provider Relief Funds to assist with revenue losses and expenses related to the COVID-19 pandemic that does not have to be paid back and the \$79.4 million received from the Centers for Medicare & Medicaid Services (CMS) from the Medicare Advance Payment Program to increase cash flow to healthcare providers impacted by the pandemic that does have to be paid back. The \$71.1 million had a huge effect on the Earnings Before Interest, Depreciation and Amortization (EBIDA), the Operating Revenue, the Net Income, and the Balance Sheet, and the \$79.4 million just impacted the Balance Sheet. The EBIDA for the six months ending June 30, 2020 was \$92.8 million, an increase of \$42.6 million or 84.7% over the same time in 2019, noting the Target was \$53.7 million and, excluding the funding stimulus money, the EBIDA for the six months ending June 30, 2020 would have ended with \$21.7 million. During this time period there was an increase with telehealth, an increase in contract pharmacy, and an increase in funding through the Hospital Upper Payment Limit (UPL).

Mr. Moss continued the report from Mr. Richmond on the following for the six months ended June 30, 2020: (1) operating income was \$63.1 million compared to \$20.7 million over the same period in 2019, noting the Target was \$22.4 million with an increase of \$42.4 million or 204% and, excluding the \$71.1 million of stimulus money received, there would have been an \$8 million loss; (2) non-operating revenue and expenses increased \$1.2 million as compared with net investment income of \$17.8 million for the period in 2019; (3) net income was \$64.3 million as compared with \$38.5 for the same period in 2019 or an increase of \$25.8 million or 66.8% and excluding the stimulus money received would have resulted in a \$6.8 million loss; (4) total operating revenue was \$687.8 million compared to \$625.1 million for the same period in 2019, noting an increase of \$62.7 million or 10% attributed to the \$71.1 stimulus money received; (5) other operating revenue increase of \$48.1 million or 48.2% driven by continued growth in retail and contract pharmacy operations, noting an increase of \$14.4 million as a result of the Hospital UPL funding, payor mix remaining unchanged, Medicare decreased by 0.3%, commercial decreased by 0.3%, Medicaid increased by 0.3%, and self-pay increased by 0.3%; (6) total operating expenses recorded before EBIDA was \$595.0 million compared to \$574.9 million for the same period in 2019, noting the Target being \$597 million with an increase of approximately \$20.1 million in expenses, \$5.6 million due to the purchase of additional medical equipment and supplies with respect to the COVID-19 pandemic; and (7) net position or balance sheet for total assets was \$2,096 million, an increase of \$148.9 million from the prior year end, and total liabilities were \$2,773.5 million, an increase of \$84.5 million from the prior year end.

Lastly, Geoff Himes, Vice President of Finance, updated the Committee on capital projects, noting \$81.5 million was approved in 2019 and 2020, with \$28.6 million spent, \$13.7 million committed, and \$41.5 million approved in 2020 of with only \$1.5 million spent the first four to five months due to the pandemic.

B. Non-Consent Agenda

1. Action Items – None
2. Information Items
 - a. Second Quarter 2020 Financial Results
 - b. 2020 Capital Projects Review

12. Governance Committee – No Meeting

13. Legal and Government Relations Committee

A. Report of Committee Chairperson Whiting

Ms. Whiting reported the Committee met on June 10, 2020 and began with a report from Joseph Frolik, SVP of Communications, Government and Community Relations, indicating his department is monitoring and tracking federal, state and local administrative and related subsidies' activities as well as monitoring changes and developments in the laws and regulations, particularly as they relate to the COVID-19 pandemic. Dr. Brook Watts, Chief Quality Officer, continues to participate in the COVID-19 conference calls with the Ohio Department of Health leadership and with an advisory group chosen by the Ohio Hospital Association. MetroHealth's State Government Relations Director is monitoring Governor DeWine's daily briefings and sharing information with key MetroHealth staff, as well as tracking policy initiatives and legislation with the Columbus and Washington lobbyists and the state and federal officials to address the pandemic. MetroHealth leadership continues to share information concerning its preparation, education and testing with respect to the pandemic on a daily basis with local government leaders. Capital funding previously approved in the amount of \$750,000 was re-secured by MetroHealth for the Affordable Housing project on Sackett. Another item discussed was raising awareness concerning the importance of the Census participation. Darlene White, Assistant General Counsel-Operational Risk, gave a risk management report; the Committee then went into Executive Session to discuss in detail insurance matters and claims, noting there were no material updates or changes on claims and indicated a strong risk management program that has resulted in fewer claims and excellent premiums.

B. Non-Consent Agenda

1. Action Items – None
2. Information Items
 - a. Government Relations Update
 - b. Update on Risk Management/Insurance Developments

14. Quality and Safety Committee – No Meeting

15. Foundation and System Philanthropy Report – Kate Brown – President, The MetroHealth Foundation and MHS Chief Development Officer

Ms. Brown reported that MetroHealth's For All of Us \$100 million campaign continues to progress and indicated the campaign is nearing the \$54 million mark, noting significant contributions are in process—one of which would allow MetroHealth to name the new hospital tower. An application has been submitted to the David and Jacquie Clark Family Fund and approval already confirmed for \$250,000 in an unrestricted grant to support the Campus Transformation by a new donor. On July 21, 2020 MetroHealth committed to a letter of intent with The Robert Wood Johnson Foundation for a \$4.8 million grant under the leadership of Dr. Adam Persynski that will research how the EcoDistrict model has an impact on improving the community's health, noting in approximately 30 days being notified if approved to submit a full proposal. A few announcements on The MetroHealth Foundation included: George Sullivan, Chief Executive Officer of Equity Trust, was welcomed to its Board of Directors; and the Executive Committee met and the Foundation approved moving forward with a strategic planning process to find a consultant to assist with someone serving as Chair to the Foundation when Brian O'Neill's term expires in May 2021, noting three potential candidates have shown interest with a decision on the final candidate to be made in September with a vote being taken in October by the Board of Directors.

Mr. O'Neill also reported that the Executive Committee has received exceptional input with respect to the strategic plan and believe that with the gifts received over the next few months and believe the Foundation will have an opportunity to elevate its presence both regionally as well as with some donor base nationally.

A motion was unanimously passed by roll call vote to go into Executive Session (4:50 p.m.) to discuss trade secrets, pending litigation, personnel matters and information required to be kept confidential by law.

Following the Executive Session, the meeting reconvened in open session at approximately 6:10 p.m.

The Chair noted that the Board of Trustees were provided information concerning a certain claim against The MetroHealth System. There being no further questions, the Board unanimously authorized and ratified settlement of Claim No. 18-15-0517 in an amount not to exceed \$500,000, to be paid from operations and to be submitted for reimbursement by Select Assurance Captive LLC. RESOLUTION 19379.

The Chair noted that the Board of Trustees were provided information concerning the 2020 goals and performance metrics for the Performance Based Variable Compensation Plan for senior leadership. There being no further questions, the Board unanimously authorized and approved the 2020 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/consumer oriented, diversity, operational and innovation goals. No awards will be paid unless the System achieves the Adjusted EBIDA "trigger", which will be calculated net of the Performance Based Variable Compensation Awards. RESOLUTION 19380.

The Chair noted that the President and Chief Executive Officer provided information concerning a recommendation to reaffirm its commitment to maintain an Adult and Pediatric Burn Center at the MetroHealth Medical Center. There being no further questions, the Board unanimously reaffirmed its commitment to maintain an Adult and Pediatric Burn Center at the MetroHealth Medical Center. Resolution 19381.

The Chair noted that the Board of Trustees were provided information concerning the execution of a Letter of Intent setting forth the principal terms of a proposed transaction described on Attachment A to this Resolution. There being no further questions, the Board unanimously authorized and approved the execution of a letter of Intent setting forth the principal terms of the proposed transaction described on Attachment A to this Resolution. RESOLUTION 19382.

The Chair noted that the Board of Trustees were provided information concerning the formation of a new Ohio nonprofit business entity for the purpose of providing certain health care advisory consulting, information technology consulting and related services; the Board finds that the information of such new entity is consistent with the purposes identified in Section 339.10 of the Ohio Revised Code, including (i) supporting the mission of MetroHealth, (ii) participation in programs, activities and services useful to, connected with, supporting, or otherwise related to health and medical services, and (iii) in furtherance of MetroHealth's mission and functions to respond to change in the health care industry. There being no further questions, the Board unanimously authorized and approved the formation of an Ohio nonprofit limited liability company, with MetroHealth or a MetroHealth wholly-owned affiliate, serving as the sole member of this new entity, the entity being organized to conduct activities consistent with the System's mission and strategic objectives and the Board's Nonprofit Affiliate Protocol. RESOLUTION 19383.

The meeting adjourned at approximately 6:25 p.m.

**NEXT MEETING: October 28, 2020 (WEDNESDAY) – 4:00 p.m.
The MetroHealth System – Board Room**

The MetroHealth System

Respectfully submitted,

Vanessa Whiting, Chairperson

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