

EXECUTIVE/PERSONNEL COMMITTEE MEETING  
BOARD OF TRUSTEES  
THE METROHEALTH SYSTEM  
August 12, 2015

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

Additional Trustees Present: Ms. Dee, Dr. Macon, Mr. Moss, Mr. Spain

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

Mr. McDonald called the meeting to order at approximately 8:05 a.m.

The minutes for the meeting of July 8, 2015, were approved as submitted.

Financial Update

Mr. Richmond provided the Committee with an overview of the System's financial results for the month of July and for the year to date. The System's Operating Income for the month was approximately \$4.4 million which was \$1.2 million favorable to budget. Net Patient Revenue for the month was \$70.9 million, approximately \$680,000 above budget. He attributed those results to strong inpatient volumes, noting that the inpatient daily census had remained strong. Mr. Richmond also noted that the payor mix was favorable to budget and that Other Revenue was above budget. He then reviewed Expenses, noting that Purchased Services and Strategic Operating Expenses were below budget.

Year to date Net Patient Revenue was \$470.5 million which was above budget (\$5.0 million). Mr. Richmond noted the Operating Income year to date was \$15.8 million or \$9.0 million favorable to budget.

2016 Budget Process

Mr. Richmond reviewed the status of the process for the 2016 Budget, referring the Board to the handout containing a detailed schedule. He advised that the process was well underway and that we would be facing certain challenges in 2016. He noted that a presentation would be made to the County on October 22 and the final budget would be presented to the Board for its approval on October 28.

ICD-10 Readiness

Don Reichert reviewed the System's readiness for the upcoming effectiveness of the ICD-10 in under 50 days. He noted that preparation for this development had been in process for more than five years and that a great deal of work had been accomplished. Mr. Reichert described the training and testing which had been conducted as well as the coordination with Finance and work with Communications on an internal messaging plan. He reviewed the specific details for the implementation and how any issues would be addressed at the time of the change.

### Expanded Investment Authority

Dr. Boutros called upon Mike Phillips, Chief Legal Officer, to review the expanded investment authority available to the System. He reviewed the System's historical position where there were only very limited investment options available. Mr. Phillips advised that Chapter 339 had been amended in the 2015 Budget bill to expand investment authority for MetroHealth. He described the key elements of the legislation, including the types of funds which could be invested, being essentially those derived from hospital and health care operations. He noted that an Investment Committee of the Board was required and that Committee would be responsible for the development and implementation of an investment policy. Mr. Phillips reminded the Committee that an Investment Committee had been created as a subcommittee of Finance at the July Board meeting and that work was underway internally on the policy.

He then reviewed the requirements of the Investment Policy and described the timetable for implementation, with the proposal being that the Investment Policy would come before the Board at its September meeting and then it would have to be approved by the County Investment Advisory Committee in October. The Committee discussed various aspects of the process and the policy in detail and all questions were answered.

### Executive Session

Upon unanimous roll call vote, the Committee went into Executive Session to discuss various matters constituting or involving Trade Secrets and litigation developments.

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

The meeting was adjourned at approximately 9:50 a.m.

Respectfully submitted,

Mr. Thomas M. McDonald  
Chair