

EXECUTIVE/PERSONNEL COMMITTEE MEETING  
BOARD OF TRUSTEES  
THE METROHEALTH SYSTEM  
October 14, 2015

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

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

Staff Present: Ms. Bechtle, Dr. Boutros, 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 September 9, 2015, were approved as submitted.

Financials

Mr. Richmond provided the Committee with an overview of the System's financial results for the month of September, the third quarter and for the year to date. Mr. Richmond noted that in addition to the Financial Report the package also included The Advisory Board Credit Rating Diagnostic Test and the 2015 Budget Spread.

The System's Operating Income for the month was approximately \$3.9 million which was \$860,000 favorable to budget and for the quarter was \$10.6 million which was approximately \$140,000 favorable to budget. Net Patient Revenue for the month was \$67.5 million, approximately \$1 million under budget. He attributed these results to inpatient volumes and case mix being slightly under budget. He also reviewed other volume and related indicators. Mr. Richmond also noted that the payor mix was favorable to budget and that Other Revenue was above budget. Mr. Richmond also reviewed certain one time favorable items impacting the results. He then reviewed Expenses, noting that Salaries and Benefits and Department Expenses were over budget.

Year to date Net Patient Revenue was \$607 million which was above budget (\$2.6 million). Mr. Richmond noted the Operating Income year to date was \$22.1 million or \$8.0 million favorable to budget.

The Committee, Dr. Boutros and Mr. Richmond discussed a number of items in detail including potential results and key indicators for the balance of the year.

Update on ICD-10 Readiness

Given that the ICD-10 system became effective October 1, Dr. Boutros asked Mr. Richmond to provide the Committee with a review of how this was playing out. Mr. Richmond noted we were 14 days in and so far this was a non-event. He indicated the payors would be the issue as the months rolled out.

Policies: Conflicts of Interest/Contracts

Dr. Boutros stated that questions had been raised concerning how the potential for management or Board conflicts were handled and that he had asked Mr. Phillips to review this. Mr. Phillips noted that MetroHealth recognizes this question is a very serious matter, indicating that these concerns and the

applicable rules apply to all employees and Board members. He reviewed the educational and training concerning ethics and conflicts which is conducted on an ongoing basis. Next he noted that the System's contracting process, both for RFP matters and contracts solely through Supply Chain, have built in procedures to raise and identify potential conflicts. He also reviewed various MetroHealth policies that dealt with these issues, including a Conflict of Interest Policy, Secondary Employment Policy and the Code of Ethical Behavior. The Committee discussed these issues and several questions were raised. Mr. Phillips indicated that we are looking at revising these policies and that this would be brought back to the Board in December.

#### 2016 Board/Committee Schedule

Mr. McDonald reviewed the preliminary 2016 Meeting Schedule and the Committee and Dr. Boutros reviewed and discussed this in detail. Plans for a potential May retreat were discussed, as well as potential questions as to dates for certain meetings. Mr. McDonald indicated that this would be finalized by the Board prior to year end.

#### Executive Session

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

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

The meeting was adjourned at approximately 10:00 a.m.

Respectfully submitted,

Mr. Thomas M. McDonald  
Chair