

**BOARD OF TRUSTEES
The MetroHealth System**

Date: December 16, 2015

Time: 4:00 P.M.

Place: The MetroHealth System Board Room

Present: Ms. Dee, Mr. McDonald, Rev. Minor, Mr. Monnolly, Mr. Moss, Mr. Schneider, Dr. Silvers, Mr. Spain, Ms. Whiting

Staff: Dr. Boutros, Ms. Allen, Ms. Bechtle, Mr. Botros, Ms. Brown, Dr. Connors, Mr. Jones, Ms. Kline, Dr. Laskey, Mr. Lewis, Mr. Phillips, Mr. Reichert, Mr. Richmond, Ms. Rose, Mr. Stern, Dr. Williams

MINUTES OF MEETING

The meeting was called to order by Mr. McDonald at 4:05 p.m.

(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 Regular Meeting of October 28, 2015. RESOLUTION 18926.

2. Approval of 2016 Board Meeting Schedule

The Board approved The MetroHealth System Board of Trustees 2016 Schedule of Meetings. RESOLUTION 18927.

3. Welcome of New Trustees: Rev. Tony Minor and Mitchell C. Schneider, New Trustees of The MetroHealth System Board of Trustees

The Board approved the New Trustees for The MetroHealth System Board of Trustees. RESOLUTION 18928.

Dr. Boutros read a letter of resignation received from Dr. Macon and said that Dr. Macon attended The MetroHealth Foundation event on December 11, 2015, and spoke to him about remaining involved with MetroHealth in a different capacity since he now serves as Chairman of the United Pastors in Mission.

4. Consent Agenda

A Audit Committee – None

B. Diversity and Inclusion Committee – No Meeting

C. Facilities and Space Committee – No Meeting

D. Finance Committee

1. The Board unanimously approved changes of certain capital improvements and purchases to be paid out of available capital funds, and subsequently reimbursed through fund sources indicated in Exhibit A. RESOLUTION 18929.
2. The Board unanimously approved the renewal of a lease of space to operate a specialty clinic in Middleburg Heights, Ohio. RESOLUTION 18930.
3. The Board unanimously approved a lease for space located in Cleveland, Ohio. RESOLUTION 18931.

E. Legal and Government Relations Committee

1. The Board approved, with the exception of Ms. Whiting abstaining, the engagement of Roetzel & Andress LPA as attorneys and consultants for the System's local and state government relations activities, for total costs not to exceed \$540,000 plus reasonable out-of-pocket expenses, and over a period not to exceed 36 months, to be paid out of general operating funds. RESOLUTION 18932.
2. The Board unanimously approved the purchase of claims-made excess Professional and General Liability Coverage with limits of \$35,000,000 excess of a self-insured retention of \$5,000,000, and an inner aggregate retention of \$2,000,000 for professional liability claims and retention of \$1,000,000 on general liability claims, provided by Lloyd's of London Syndicate for a total premium of \$1,475,000 for policy period December 22, 2015, through December 22, 2016, to be paid out of operating funds. RESOLUTION 18933.
3. The Board unanimous approved the purchase of an endorsement to amend the excess professional liability policy underwritten by Lloyd's of London and commencing December 22, 2015, through December 22, 2016, to include a provision for batch claims, for an additional premium of \$107,700, to be paid out of operating funds. REMOVED
4. The Board unanimously approved 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 \$133,398 for policy period December 22, 2015, through December 22, 2016, to be paid out of operating funds. RESOLUTION 18934.
5. The Board unanimously approved 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 December 22, 2015, through December 22, 2016, to be paid out of operating funds. RESOLUTION 18935.
6. The Board unanimously approved the purchase of Information Network and Privacy Security Insurance with limits of \$10,000,000 and a retention of \$100,000 from Beazley Specialty Company for a premium of \$167,889 for policy period December 22, 2015, through December 22, 2016, to be paid out of operating funds. RESOLUTION 18936.
7. The Board unanimously approved the purchase of Non-Owned Aircraft Liability and Helipad Liability Insurance written by Ace Property and Casualty, for a total

premium of \$10,648 for policy period December 22, 2015, through December 22, 2016, to be paid out of operating funds. RESOLUTION 18937.

8. The Board unanimously approved the purchase of Automobile Liability Insurance underwritten by the Public Entities Pool of Ohio, for the one-year period commencing January 1, 2016, through January 1, 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 \$175,565, to be paid out of operating funds. RESOLUTION 18938.
9. The Board unanimously approved the purchase of Employed Lawyers Professional Insurance from Chubb for the 12-month period December 22, 2015, to December 22, 2016, for an annual premium expenditure in an amount not to exceed \$11,796, to be paid out of operating funds. RESOLUTION 18939.
10. The Board unanimously approved the renewal of a comprehensive general and professional liability claims-made insurance policy from Evanston Insurance Company for The MetroHealth System's personnel performing services at the Cuyahoga County Department of Corrections, for the period January 1, 2016, through December 31, 2016, with liability limits of \$3,000,000 per claim and \$5,000,000 in the annual aggregate and a deductible of \$25,000 per claim, for an annual premium of \$206,473, to be paid out of general operating funds. RESOLUTION 18940.

F. Patient Experience Committee – None

G. Executive Committee – No Meeting

H. Quality and Safety Committee – No Meeting

5. President and CEO's Report

Dr. Boutros first noted that his full report was included in the Board materials but indicated there were several items he wanted to discuss. Dr. Boutros began by reviewing the Joint Commission Survey that was completed; we were very pleased there were no condition level deficiencies issued and we will be responding within about ten days to address our opportunities for improvement for the organization. Also, while the Joint Commission was here, certain issues were identified which were a significant concern to myself, Dr. Connors, and Mavis Bechtle regarding the utilization of clinical protocols. As a result of this issue, we quickly put a process in place and we've been working through these protocols and transforming them into clinical order sets very quickly.

He stated that we had presented MetroHealth's 2016 Budget to the County, which included our acceptance of a 19% reduction, or \$32.4 million, in County support. It is important to note that we on average provide over \$180 million of community support for those funds that we pay back really almost four to one for every dollar we receive. He then discussed the significant security and safety changes made to the entrance of the Emergency Room.

Dr. Boutros next discussed MetroHealth's support for the Health and Human Services 4.8 and 2.9 Mill Renewal Levies, how these levies impact the community, and how The MetroHealth Foundation, Board of Directors, Senior Leadership, and other executives and employees hope to achieve a goal of \$30,000 in donations to support the levies.

Finally, he indicated that he was happy to inform the Board that we're finalizing all the structuring, and the really incredible achievement of Magnet, and the focus of Mavis Bechtle and

Chris Roker on the management of the inpatient and ambulatory surgery sites; we've decided that it is important to have a separate leader for nursing focused on all professional nursing and their education, their mentoring, their research and other professional activities. Therefore, Dr. Boutros was delighted to report that, at the recommendation of Mavis Bechtle, Melissa Kline will become the Chief Nursing Officer at the beginning of 2016.

6. Nursing/Magnet Report – Mavis Bechtle, Chief Nursing Officer

Ms. Bechtle began the transition of Chief Nursing Officer at this meeting, and Melissa Kline reported to the Board that the nursing staff had been recognized in different ways for outstanding patient care and contributions to the nursing profession, especially in light of the recent third Magnet designation and the six unprecedented exemplars in the latest survey. She mentioned the recognition of several awards: MetroHealth Life Flight Ground Crew recognized by the Association of Air Medical Services Critical Care Ground Award of Excellence received this Fall; Sandy Wright Esber, the Director of Advanced Practice Nursing, receiving the Ohio's Nursing Association of Nurse Practitioner's Advocate State Award for Excellence to be received the beginning of 2016; John Singleton, a Life Flight Nurse Specialist, received the 2015 University of Akron School of Nursing Distinguished Alum Award; 10 nominees receiving the Ohio March of Dimes Nurse of the Year Award in November; and Barb Ruda, a nurse in the Cancer Care Center, received the Heroes Behind the Scenes Award from the *Cleveland Magazine* in the Spring. Lastly, Ms. Kline extended her gratitude to the Board of Trustees and the executive team for the support concerning the Magnet journey by distributing a Magnet pin designating them as "Friends of Nursing" at MetroHealth.

7. Medical Staff

A. Report of Medical Staff

Dr. Connors began his report by stating that he did not go into detail in his Executive Report regarding the meeting of public officials and the chief medical officers of the four health systems to discuss emergency room diversions and that an agreement had been reached on this important issue. He stated that for the next two months there will be no more than one hospital system on diversion at any time to avoid unintended consequences that have occurred in the past and that a time deadline will be established on how long a hospital can be on diversion. Dr. Connors then said these parties agreed that as of February 15, 2016, all hospitals will not voluntarily go on diversion. He mentioned that appropriate staff will be in place and, since renovating the Main Campus emergency room, MetroHealth will have additional room capacity that should avoid the need to go on diversion. In that regard, he also mentioned we should have two HealthSpan emergency rooms that will assist with increasing our capacity even more and take pressure off the Main Campus. Dr. Connors indicated that ICU beds should be added in July with the opening of the Critical Care Pavilion to also assist MetroHealth in being more flexible. Lastly, he stated that the four health systems are in early stages of discussions concerning collaborating and cooperating in connection with trauma occurrences.

B. Approval of Medical Staff/Allied Health Providers/Advanced Practice Nurses Appointments/Actions – November/December 2015

1. The Board unanimously approved the Medical Staff Appointments/Actions for November/December 2015. RESOLUTION 18941.
2. The Board unanimously approved the Allied Health Appointments/Actions for November/December 2015. RESOLUTION 18942.

3. The Board unanimously approved the Advanced Practice Nurses Appointments/Actions for November/December 2015. RESOLUTION 18943.

C. Medical Executive Committee Minutes – October 16, 2015, and November 13, 2015

D. Report of Medical Staff President – Dr. Williams

Dr. Williams reported that the Medical Staff held its Annual Holiday Party on December 5th, mentioned having a record turnout and wanted to thank all who attended. She requested suggestions as planning for the Holiday Party 2016 will begin in a couple months. Dr. Williams indicated that Julie Jacono, Dr. Connors, and Dan Lewis have been invited to address the Medical Staff on the status of HealthSpan on Thursday, December 17, 2015.

E. Report of Case Western Reserve School of Medicine

Dr. Thomas was not present at the meeting and therefore no report was given.

8. Audit Committee

A. Report of Committee Chairperson

Dr. Silvers reported that the Audit Committee had no action items but held discussions concerning four different areas: the audit for 2016 by the firm formerly known as McGladrey and now known as RSM; a review of GASB 68, a change in the accounting standards procedure implemented by the Governmental Accounting Standards Board which has no impact to MetroHealth's cash flow position, but which results in employers recognizing the unfunded portion of pension plan liabilities on their financial statements; a Compliance update by Mary Legerski; and lastly Joe Dickinson gave the Privacy and Security update.

Mr. Richmond presented further detailed information to the Board concerning GASB 68 and how MetroHealth's OPERS pension obligation is approximately \$89 billion. He stated that 87% of that amount is funded and 13% is not funded, creating a pension liability of approximately \$12 billion or 2.9%, equaling \$348 million. He further discussed how payments are made to OPERS via the payroll process but since this pension liability is a non-cash transaction, the amount is recorded as a liability on the books and is amortized over time.

Dr. Boutros reported that Mary Legerski presented the Compliance survey outcome and in that regard stated that in 2012, 33% of employees felt comfortable reporting unethical behavior to their supervisor regarding compliance and today 86% of employees are comfortable reporting without any concern for retaliation or recognition.

B. Non-Consent Agenda

1. Action Items - None
2. Information Items
 - a. RSM 2015 External Audit Plan – Lori Kalic
 - b. GASB 68 Accounting & Financial Report for Pensions – Geoff Himes
 - c. 2015 Internal Audit Updates – Simpson Huggins/Jim Mylen
 - d. Compliance Update – Mary Legerski
 - e. HIPAA Privacy and Security Update – Joe Dickinson

9. Diversity and Inclusion Committee – No Meeting

10. Facilities and Space Committee – No Meeting

11. Finance Committee

A. Report of Committee Chairperson

Dr. Silvers reported that Finance did not discuss the GASB 68 portion of the agenda since that was discussed in the Audit Committee meeting. He stated time was taken to discuss Meaningful Use and how that involves funds MetroHealth receives from Medicare for installing and using electronic medical records to produce quality data. Mr. Richmond added that over the course of the last five years the Meaningful Use incentives have brought MetroHealth approximately \$45 million.

Dr. Silvers next discussed the financial results and reported that results after 11 months are where we anticipated to be financially. Mr. Richmond expanded on this by noting that MetroHealth experienced an Operating Loss in November of \$600,000 due to lighter volumes compared to other years. He stated that year-to-date Operating Income was \$24 million compared to a budget of \$16 million, and that since our uninsured population had gone down significantly, outpatient year-to-date visits were 3.3% above the prior year and were budgeted at 6% for the month of November. Mr. Richmond reported that MetroHealth's total net position is \$425 million, a \$27 million increase from the prior year. Dr. Silvers added that the Key Performance Indicators for November 2015 Year-to-Date were at 2.8%, which is better than budget but lower than anticipated and that the cash flow numbers are good.

Lastly, Dr. Silvers reported that the Finance Committee discussed and approved for recommendation to the full Board for a resolution to be brought forward for a vote for MetroHealth to make a commitment of \$100,000 toward the establishment of a Medicaid Policy Center within the Center for Community Solutions.

B. Non-Consent Agenda

1. Action Items

The Board unanimously authorized and approved a commitment of \$100,000, to be paid over the next 24 months, to assist in the establishment of a Medicaid Policy Center to be located with the Center for Community Solutions, to be paid from general operating funds. RESOLUTION 18944.

2. Information Items

- a. Monthly Financial Report – November 2015
- b. Management's Discussion and Analysis/Financial Highlights – November 2015
- c. GASB 68 Accounting & Financial Report for Pensions – Geoff Himes
- d. Information Systems & Meaningful Use Update – Don Reichert/David Kaelber

12. Legal and Government Relations Committee

A. Report of Committee Chairperson

Mr. Spain reported that Tamiyka Rose began the meeting by updating the Committee on local government relations and advised members that the City of Cleveland implemented a City-wide smoking ban. Dr. Connors gave a report on discussions involving University Hospitals and the handling of trauma and stated that no resolution has been reached but further meetings have been scheduled. There was further discussion concerning the

joint task force for infant mortality and the passing of the Omnibus Appropriation Bill in November and how certain technical fees charged will impact MetroHealth.

Mr. Spain then reviewed the discussion in more detail regarding the insurance coverages that were approved in the Consent Agenda. He provided an overview of the coverages and certain specific details. In taking all of the coverages into account he noted that the total increase in costs was approximately 3%, noting that we had increased the amounts of certain policies, specifically Network Security. Dr. Boutros advised that in terms of our excess liability insurance we had reduced our annual cost by approximately 40% over the last several years. The Board then discussed certain additional questions and details of the insurance coverages.

Mr. Spain also noted that there were two resolutions dealing with the approval of smaller claims that would be considered after discussion in Executive Session.

B. Non-Consent Agenda

1. Action Items
 - a. Approval to Ratify and Approve Liability Claims at or Under \$75,000 for 2015 (Executive Session)
 - b. Approval to Ratify and Approve Workers' Compensation Claims at or Under \$75,000 for 2015 (Executive Session)

The Board unanimously approved the increase in the authorized limit for the settlement of professional and general liability claims from at or under \$75,000 to at or under \$100,000. RESOLUTION 18947.

2. Information Items
 - a. Government Relations Update
 - b. Risk Management Report

13 Patient Experience Committee

A. Report of Committee Chairperson

Ms. Dee began her report by indicating that Michael Stern, Mary Linda Rivera, and Dr. Sara Laskey gave presentations explaining initiatives being implemented to improve patient experience and concerning various indicators to assist us in understanding their experience. Michael Stern reviewed the Executive Leadership Rounding Program whereby an executive visits with newly admitted patients Monday through Friday to welcome them, help solve problems, provide service recovery, and improve survey response rates. Mary Linda Rivera discussed iRound, a digital tool like the Ipad, which enables the tracking, reporting, and trending of points of service for electronic data collection of the nurse manager or executive rounding process for the purpose of showing opportunities of improvement and service recovery. Dr. Laskey explained overall strategy being considered to improve the patient experience scores, as well as the true patient experience that has an impact on MetroHealth's clinical, financial and marketing efforts. Lastly, Ms. Dee reported leading a discussion with the Committee of setting goals for patient experience and the impact of measuring percentile scores in comparison to other hospitals versus top box scores of patient surveys completed and what that means in terms of reporting data to the federal government.

B. Non-Consent Agenda

1. Action Items - None
2. Information Items
 - a. Executive Leadership Rounding – Michael Stern
 - b. iRound – Mary Linda Rivera
 - c. Review of Strategy – Sara Laskey, MD
 - d. Goal Setting for Organization with Regards to Patient Experience – Sara Laskey, MD

14. Executive Committee – No Report

15. Quality & Safety Committee – No Meeting

16. External Affairs Report – Elizabeth Allen, Senior Vice President, External Affairs

Ms. Allen stated that the main topics of her report concerning the Levy and Technical Fees have already been presented and had nothing further to report.

17. Foundation and System Philanthropy Report - Kate Brown, Vice President, Foundation and System Philanthropy

Ms. Brown reported that three grants totaling \$1.6 million had been received by MetroHealth for Nurse-Family Partnership, a program that has been in Dayton and Cincinnati for a number of years and is new to the Cleveland area. This program focuses on low income first-time mothers whereby a nurse is partnered with the mother early in her pregnancy and in the first two years of the child's life, outcomes in the past showing that 92% of the children receive all of their immunizations and 89% of the children born at full term. This program relates to our discussions of infant mortality and what we are trying to achieve at MetroHealth in that regard. She indicated that in the last six months MetroHealth has been communicating with the Mt. Sinai Health Care Foundation and their President, Mitch Balk, on how this program can be implemented and was happy to report Mt. Sinai gave a \$1.2 million grant to MetroHealth. Ms. Brown indicated that the David and Inez Myers Foundation committed \$300,000 as a first-time funder and the Sisters of Charity Foundation of Cleveland also made a grant of \$100,000. She stated that the George Gund Foundation will be at MetroHealth in January followed by St. Luke's Foundation to discuss supporting the above initiative.

Ms. Brown mentioned that The MetroHealth Foundation said good bye to Board Member Don McGrath who has served the Foundation for approximately nine years and is retiring from Eaton Corporation and moving to Sante Fe. She stated that during the course of his term nearly \$750,000 was received from Eaton Corporation to support MetroHealth. Lastly she indicated that the GALA is being held on May 21st, and packets are being prepared for distribution; the revenue goal is \$1.2 million, and \$650,000 in support has already been received.

18. Other Board Items - None

19. Executive Session

A motion was unanimously passed by roll call vote to go into Executive Session to discuss matters involving trade secrets, litigation, pending or threatened, and matters required to be kept confidential by law.

Following the Executive Session, the meeting reopened at approximately 6:27 p.m.

The Board unanimously confirmed and ratified settlement of Professional and General Liability claims for 2015 in the amount set forth in the detailed listing of these claim settlements in the

confidential addendum attached to the Resolution, to be paid from the general operating fund. RESOLUTION 18945.

The Board unanimously confirmed and ratified settlement of the Bureau of Workers' Compensation claims for 2015 in the amount set forth in the detailed listing of these claim settlements in the confidential addendum made part of this Resolution, to be paid from the Workers' Compensation Fund. RESOLUTION 18946.

The meeting adjourned at approximately 6:30 p.m.

NEXT MEETING: JANUARY 27, 2016 (WEDNESDAY) – 4 p.m.

The MetroHealth System

Respectfully submitted,

Thomas McDonald, Chairperson

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