

THE METROHEALTH SYSTEM
BOARD OF TRUSTEES
LEGAL & GOVERNMENT RELATIONS COMMITTEE

December 16, 2015

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

Other Trustees: J. B. Silvers

Staff: Dr. Akram Boutros, Elizabeth Allen, Dr. Alfred Connors, Marlene Franklin, Daniel Lewis, Michael Phillips, Craig Richmond, Tamiyka Rose, Michael Stern

The meeting was called to order at 2:14 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 23, 2015, meeting were approved.

II. Consent Items

Ms. Tamiyka Rose reviewed the need for the engagement of consultants for MetroHealth's local and state government relations activities and the recommendation for the engagement of Roetzel & Andress LPA.

Ms. Marlene Franklin reviewed MetroHealth's current liability coverages and the recommendation for the authorization to purchase certain liability insurance coverages.

Following Committee discussion.

A. Engagement of Consultants for Local and State Government Relations Activities

Mr. Spain requested approval of 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.

Upon motion made and seconded, the Committee resolved to recommend approval of the engagement of Roetzel & Andress LPA as attorneys and consultants for the System's local and state government relations activities.

B. Purchase of Excess Professional and General Liability Insurance

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 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.

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

C. Purchase of Insurance Policy Endorsement for Batch Claims Coverage for the Excess Professional and General Liability Coverage

Mr. Spain requested approval of the purchase of an additional endorsement to amend the excess professional liability policy underwritten by Lloyd's of London for the policy period 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

D. Purchase of Directors' and Officers' and Employment Practices Insurance

Mr. Spain requested approval of the purchase 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.

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.

E. Purchase of Employee Crime Insurance

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 December 22, 2015, through December 22, 2016, 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.

F. Purchase of Information Network and Privacy Security Insurance

Mr. Spain requested approval of 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.

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

G. Purchase of Non-Owned Aircraft Liability and Helipad Liability Insurance

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 \$10,648 for the policy period December 22, 2015, through December 22, 2016, 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.

H. Purchase of Automobile Liability Insurance

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, 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.

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

I. Purchase of Employed Lawyers Professional Insurance

Mr. Spain requested approval of 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 \$11,769, 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.

J. Renewal of a Comprehensive General and Professional Liability Claims-Made Insurance Policy for The MetroHealth System's Personnel Performing Services at the Cuyahoga County Department of Corrections

Mr. Spain requested 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 of 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 \$226,800, to be paid out of general operating funds.

Upon motion made and seconded, the Committee resolved to recommend the renewal of a comprehensive general and professional liability claims-made insurance policy from Evanston Insurance Company.

III. Discussion Items

- Risk Management Report – Marlene Franklin

Ms. Franklin provided a brief overview of insurance costs and settlements in terms of trends, noting a net decrease in the quoted premium being approximately 2.9%, as well as some of the System’s Risk Management activities and related developments. She indicated that there were other matters to be reviewed in Executive Session.

- Government Relations Report – Tamiyka Rose

Ms. Rose began her report by giving a brief Government Relations update at the local, state, and federal levels. At the local level she mentioned candidates are being interviewed for Anne Hill’s position since she is retiring at the end of the year but the candidates so far don’t possess the qualifications that are desired, which are candidates possessing 15-20 years of experience and possesses relationships and executive presence with the City of Cleveland and Cuyahoga County. Ms. Rose indicated that MetroHealth is hosting the Health and Human Services Levy Kickoff on January 14, 2016, at 11 a.m. in Rammelkamp Atrium. She reviewed and there was further discussion concerning the 4.8 mill 8-year levy which is scheduled to be on the ballot in March and is not a tax increase, noting the Foundation was hoping to raise about \$30,000 to support the Levy.

Ms. Rose then reviewed that City Council, particularly City Council President Kevin Kelley and Councilman Joe Cimperman, were busy on the Health and Human Services aspects, reporting that the City passed a trauma resolution stating City Council is supporting high quality trauma care in the City of Cleveland, including a recent agreement reach among the four hospitals in the area, including the new opening of the University Hospitals new Level 1 Trauma Center, to coordinate emergency and trauma center practices to give immediate care to people in Northeast Ohio. Further discussion centered around EMS, trauma and hospitals going on diversion and a meeting scheduled in early January with University Hospitals to review the NOTS Bylaws and guiding principles. Dr. Boutros then reported that MetroHealth is engaged at the City level, the Chief Medical Officer level, the Chief Operating Officer level, and the CEO level in trying to develop to integrate the new University Hospitals trauma center in a unified approach. Also on the City level, Ms. Rose indicated that Cleveland passed smoking ban resolution ordinances making it illegal for tobacco products to be sold at corner stores, banning smoking for all the City of Cleveland employees. Lastly, she reported that MetroHealth has been engaged in discussion with City Council and the Mayor’s office concerning infant mortality task force and announced that on December 30, 2015, at the Global Center an Advisory Committee will meet which will include MetroHealth, three other health systems, the managed care organizations, and the City of Cleveland and Cuyahoga County to develop a core group of people combining efforts to assist this population, noting that Council President Kevin Kelly urging representation of clergy and African-American presence on this Advisory Committee.

On the State and Federal relations side, Ms. Rose reported that Dr. Claridge and Loren Anthes traveled to Columbus in October to testify support of House Bill 261, Legislation reforming the state’s trauma system and encouraging more oversight in designation of trauma centers and reporting data. She then indicated that Dr. Papp has led the U.S.

Attorney's Heroin Task Force Subcommittee on a policy to review legislation that would allow pharmacists to inject Vivatrol under the direction of a physician concerning heroin addiction. Ms. Rose then reviewed and discussion took place concerning the Bipartisan Budget Act passing in November and how it made it illegal for hospitals to charge technical fees, how it not only impacted MetroHealth facilities but also OSU, University Hospitals, Cleveland Clinic and Ohio Health in Columbus. She indicated her team will be working with Congressman Tiberi in early 2016 to enter an amendment into House Bill 261. Last, Ms. Rose discussed her department's 2016 strategic plan for the next five years and will provide further updates on the Republican National Convention as they become available.

A motion was unanimously passed by roll call vote to hold an executive session to consider trade secrets, litigation and matters required to be confidential by law.

Following the executive session, the meeting reopened.

IV. Action Items

A. Approval of 2015 Professional and General Liability Claims at or Under \$75,000

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 general operating funds.

Upon motion made and seconded the Committee resolved to recommend to the Board of Trustees the proposed settlement of professional and general liability claims in an amount at or under \$75,000, to be paid from general operating funds.

B. Approval of 2015 Workers' Compensation Claims Paid at or Under \$75,000

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 a 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 in an amount at or under \$75,000, 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 3:45 p.m.

Respectfully submitted,

Michael Phillips
Senior Vice President and Chief Legal Officer