

THE METROHEALTH SYSTEM  
BOARD OF TRUSTEES  
LEGAL & GOVERNMENT RELATIONS COMMITTEE

December 20, 2017

Present: Committee Members: Thomas McDonald, Vanessa Whiting

Other Trustees: Maureen Dee

Staff: Dr. Akram Boutros, Tracy Carter, Dr. Alfred Connors, Marlene Franklin,  
Laura McBride, Michael Phillips, Sonja Rajki, Craig Richmond

The meeting was called to order at 2:00 p.m. by Ms. Whiting. 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 27, 2017, meeting was approved.

II. Consent Items (Acted upon following the discussion described below.)

1. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Excess Professional and General Liability Insurance from Lloyd's of London

Ms. Whiting requested approval of the purchase of claims-made excess Professional and General Liability Coverage with limits of \$35,000,000 excess of a primary policy with professional liability limits of \$7,000,000, for professional liability claims and general liability limits of \$1,000,000, from Lloyd's of London for a total premium not to exceed \$935,000 for policy period December 31, 2017, through December 31, 2018, 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.

2. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Directors and Officers and Employment Practices Liability Insurance Policy from Ace USA Insurance Company

Ms. Whiting requested approval of 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 not to exceed \$138,628 for policy period December 31, 2017, through December 31, 2018, to be paid out of operating funds.

Upon motion made and seconded, the Committee resolved to recommend approval of the purchase of Directors and Officers Liability and Employment Practices Liability Insurance Coverage.

3. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Employee Crime Insurance from Beazley Specialty Company

Ms. Whiting requested approval of an employee crime policy coverage from Beazley Specialty Company with limits of \$10,000,000 and a \$100,000 deductible, for a total premium not to exceed \$25,882 for the policy period December 31, 2017, through December 31, 2018, to be paid out of operating funds.

Upon motion made and seconded, the Committee resolved to recommend the purchase of Employee Crime Policy Coverage from Beazley Specialty Company.

4. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Information Network and Privacy Security Insurance from Beazley Specialty Company

Ms. Whiting requested approval of the purchase of Information Network and Privacy Security Insurance with limits of \$10,000,000 and a retention of \$250,000 from Beazley Specialty Company for a premium not to exceed \$150,692 for policy period December 31, 2017, through December 31, 2018, 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.

5. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Non-Owned Aircraft Liability and Helipad Liability Insurance from Ace Property and Casualty

Ms. Whiting 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 \$9,295 for the policy period December 31, 2017, through December 31, 2018, 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.

6. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Automobile Liability Insurance Underwritten by the Public Entities Pool of Ohio

Ms. Whiting 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, 2018, through January 1, 2019, 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 \$182,444, 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.

7. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Employed Lawyers Professional Insurance

Ms. Whiting requested approval of the purchase of Employed Lawyers Professional Insurance from Chubb for the one-year period December 31, 2017, to December 31, 2018, for an annual premium expenditure in an amount not to exceed \$10,939, 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.

8. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of a Claims-Made Comprehensive General and Professional Liability Insurance Policy from Lloyd's of London for The MetroHealth System's Personnel Performing Services at the Cuyahoga County Department of Corrections

Ms. Whiting requested approval of the purchase of a claims-made comprehensive general and professional liability insurance policy from Lloyds of London for The MetroHealth System's personnel performing services at the Cuyahoga County Department of Corrections, with professional liability limits of \$3,000,000 per claim/\$5,000,000 in the aggregate, and general liability limits of \$1,000,000 per claim/\$3,000,000 aggregate with a \$1,000,000 limit for sexual misconduct, a deductible of \$150,000 and an inner aggregate of \$300,000, for a premium not to exceed \$262,909 for the period of December 31, 2017, through December 31, 2018, to be paid out of general operating funds.

Upon motion made and seconded, the Committee resolved to recommend the purchase of claims-made comprehensive General and Professional Liability Insurance policy from Lloyds of London.

9. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Primary Professional and General Liability Insurance from Select Assurance Captive, LLC

Ms. Whiting requested approval of the purchase of primary claims-made Professional and General Liability Coverage with professional liability limits of \$7,000,000 and general liability limits of \$1,000,000, provided by Select Assurance Captive, LLC for a total premium not to exceed \$12,400,000 for policy period December 31, 2017, through December 31, 2018, to be paid out of operating funds.

Upon motion made and seconded, the Committee resolved to recommend the purchase of primary claims-made Professional and General Liability Coverage provided by Select Assurance Captive, LLC.

10. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Medical Stop Loss Insurance from Select Assurance Captive, LLC

Ms. Whiting requested approval of the purchase of medical stop loss insurance, with limits of \$1,000,000 per covered person, with a self-insured retention per covered person

of \$500,000, provided by Select Assurance Captive, LLC for a total premium not to exceed \$500,000 for policy period January 1, 2018, through December 31, 2018, to be paid out of operating funds.

Upon motion made and seconded, the Committee resolved to recommend the purchase of medical stop loss insurance provided by Select Assurance Captive, LLC.

11. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Approval of Medical and Prescription Drug Stop Loss Insurance from Medical Mutual of Ohio

Ms. Whiting requested approval of the appointment of Medical Mutual of Ohio as the stop loss insurance provider for the System's self-insured employee medical and prescription drug plan, at an individual stop loss deductible of \$1,000,000 per enrollee, for a one-year period effective January 1, 2018, to December 31, 2018, for an estimated aggregate cost of \$227,794 based on employees enrolled as of November 2017 over the contract period as detailed above, to be paid out of operating funds.

Upon motion made and seconded, the Committee resolved to recommend the purchase of the Medical and Prescription Drug Stop Loss Insurance from Medical Mutual of Ohio.

12. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Environmental Liability Insurance from Aspen Specialty Insurance Company

Ms. Whiting requested approval of the purchase of Environmental Liability Insurance from Aspen Specialty Insurance Company with limits of \$10,000,000 per incident for a premium not to exceed \$36,050 for policy period December 31, 2017, through December 31, 2018, to be paid out of operating funds.

Upon motion made and seconded, the Committee resolved to recommend the purchase of Environmental Liability Insurance from Aspen Specialty Insurance Company.

13. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Continued Engagement of Strategic Health Care as Consultant for The MetroHealth System's Federal Government Relations Activities

Ms. Whiting requested approval of the continued on-going engagement of Strategic Health Care as consultants for the System's federal government relations activities, for additional total costs not to exceed \$80,000, plus reasonable out-of-pocket expenses, for the period between December 2017 and June 2018, to be paid out of general operating funds.

Upon motion made and seconded, the Committee resolved to recommend the continued engagement of Strategic Health Care.

14. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Retention of Intellectual Property and Innovations Attorneys

Ms. Whiting requested approval of the retention of the law firms of The Law Offices of T.C. Theofrastrous, Ltd.; Fay Sharpe LLP; Tarolli, Sundheim, Covell and Tummino, LLP; and Calfee, Halter & Griswold, LLP as special counsel for services relating to intellectual property and innovations as may be required, to be paid out of general operating funds.

Upon motion made and seconded, the Committee resolved to recommend the law firms of The Law Offices of T.C. Theofrastrous, Ltd.; Fay Sharpe LLP; Tarolli, Sundheim, Covell and Tummino, LLP; and Calfee, Halter & Griswold, LLP as special counsel for services relating to intellectual property and innovations.

15. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Retention of Immigration Attorneys

Ms. Whiting requested approval of the engagement of Harold L. Hom Co., LPA, Gerard D'Souza, Sharon & Kalnoki, Inc. and McDonald Hopkins as immigration attorneys as may be required, to be paid out of general operating funds.

Upon motion made and seconded, the Committee resolved to approve the retention of Harold L. Hom Co., LPA, Gerard D'Souza, Sharon & Kalnoki, Inc. and McDonald Hopkins as immigration attorneys.

16. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Reaffirmation of the Conflicts of Interest Policy

Ms. Whiting requested approval of the reaffirmation of the Conflicts of Interest Policy for 2017-2018.

Upon motion made and seconded, the Committee resolved to recommend reaffirmation of the Conflicts of Interest Policy for 2017-2018.

17. Recommendation to the President and Chief Executive Officer of The MetroHealth System for Reaffirmation of the Policy Relative to the Open Meetings Law

Ms. Whiting requested approval of the reaffirmation of the Policy relative to the Open Meetings Law for 2017-2018.

Upon motion made and seconded, the Committee resolved to recommend reaffirmation of the Policy relative to the Open Meetings Law for 2017-2018.

18. Recommendation to the President and Chief Executive Officer of The MetroHealth System for the Purchase of Air and Ground Travel Accident Insurance

Ms. Whiting requested approval of the purchase of a three-year policy for medical transport travel accident insurance from AIG, for a total premium of \$56,130, to be paid out of operating funds.

Upon motion made and seconded, the Committee resolved to recommend the purchase of medical transport travel accident insurance from AIG.

### III. Discussion Items

Ms. Franklin began the meeting with a review of the Resolutions concerning insurance.

Dr. Boutros reviewed with the Board that each year an analysis of the risk management program is made and how this corresponds to the renewal of MetroHealth's liability insurance products. He noted that in 2015 the Select Assurance Captive, LLC was formed to assist with the health professional liability coverage, the excess insurance coverage, and the medical stop loss coverage.

He was happy to report exceptional outcomes and cost of the insurance products despite an increasing number of exposures for MetroHealth. Ms. Franklin stated that the cost of insurance is dependent upon outpatient visits, outpatient surgeries, and surgeries in general that are incorporated to determine an equivalent for each exposure. Dr. Boutros stated that between 2016 and 2017 MetroHealth's exposure equivalents increased by 9%, noting a review of the past years indicates that these equivalents were down between 2012 and 2013 and have been steadily rising since. Ms. Franklin reported that the premium per exposure unit went down and rates were negotiated aggressively to report a flat renewal in premiums meaning a zero increase in premium rates overall. She also reported that a new Environmental Liability Insurance coverage was obtained as it relates to the Campus Transformation project, then reviewed the Owner Controlled Insurance Program (OCIP) that was established in conjunction with this project which is expected to save between \$1 million and \$4 million over the life of the contract, and reviewed the Resolution for purchase of Air and Ground Travel Accident Insurance that will provide our EMTs, flight physicians, and nurses with additional coverage in addition to their normal benefits.

Considering this discussion, Dr. Boutros noted MetroHealth's very high safety record and that each one of the aircrafts were refurbished from the frame and rebuilt. After a review of Resolution Nos. 1 through 12 and 18, a vote of Board approval was taken and was unanimously approved.

Ms. Carter reviewed with the Board Resolution 13 concerning the continued engagement of Strategic Health Care as consultant for MetroHealth's federal government relations activities, and Ms. McBride and Ms. Rajki reviewed with the Board Resolution Nos. 14 and 15 concerning the retention of Intellectual Property and Innovations Attorneys and the retention of Immigration Attorneys, noting that every three to five years a panel of attorneys for each of these two matters are requested to provide information to MetroHealth and from that information interviews are conducted and a panel of attorneys is chosen and a request by the Board for approval is made. It was stated by Mr. Phillips that Ms. McBride has assisted the last two years with the Intellectual Property and Innovations work and work completed in this area in the last year has been more than probably the last 20 years as Dr. Boutros referenced. Lastly, Mr. Phillips reviewed with the Board the annual Resolution Nos. 16 and 17 concerning reaffirmation of the Conflicts of Interest Policy and the Open Meetings Law. After a review of Resolution Nos. 13 through 17, a vote of Board approval was taken and was unanimously approved.

- Government Relations Update

Ms. Carter began her report by indicating just an hour before this meeting started that the House approved the Tax Cuts and Jobs Act (H.R. 1) and it is on President Trump's desk for signature. A summary report from the House and Senate Conference Committee concerning the Tax Cuts and Jobs Act was distributed to meeting attendees summarizing

what one can expect from an individual and family perspective, as well as a section regarding corporations and job creators. She indicated that this new law: (1) will cost \$1.5 trillion over the next 10 years, (2) will waive the pay go rules requirement, (3) will be effective through 2025 for the individuals and family tax provisions, (4) will be permanent for the corporate and job creator provisions, (5) is a concern for the repeal of the individual mandate in the health care sector, noting the Congressional Budget Office and independent budget thinktanks estimate a repeal of this individual mandate will result in approximately 13 million people becoming uninsured within the marketplace and noting no impact estimates for Ohio, (6) will begin to focus on debt and deficit reduction in 2018, noting that entitlement reform concerning eligibility and spending levels is one vehicle being discussed to improve the nation's fiscal position, and (7) will involve MetroHealth being engaged with the entitlement reform discussions because the strategy known as Medicare Sequestration designed to cut provider payments across the Board and reduce the Medicaid Spending plans are on the negotiation table.

Dr. Boutros added that he had the pleasure of attending the House and Senate for a full day with Ms. Carter and stated with a sense of pride that she is embraced and appreciated by the staff and congressional leaders and stated that as of January 1, 2018, she will be MetroHealth's Vice President for Government Relations.

- Risk Management Report

Ms. Franklin's report on Risk Management was reserved for Executive Session.

A motion was unanimously passed by roll call vote to hold an executive session to discuss pending litigation and legal matters involving confidential information.

Following the executive session, the meeting reopened.

#### IV. Action Items

1. Approval of Claim No. 03-53-0403R

Upon motion made and seconded the Committee resolved to recommend to the Board of Trustees the proposed settlement of Claim No. 03-53-0403R in an amount not to exceed \$7,735,000, to be paid from The MetroHealth System Self-Insurance Trust Fund.

2. Approval of Claim No. 14-32-1013

Upon motion made and seconded the Committee resolved to recommend to the Board of Trustees the proposed settlement of Claim No.14-32-1013 in an amount not to exceed \$3,500,000, to be paid from The MetroHealth System Self-Insurance Trust Fund.

3. Approval of Liability Claims Under \$100,000 for 2017

Ms. Whiting 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 the general operating fund.

Upon motion made and seconded the Committee resolved to recommend to the Board of Trustees the proposed settlement of professional and general liability claims for 2017 in the amount set forth in the detailed listing of these claim settlements in the confidential addendum which is made a part of this Resolution, to be paid from the general operating fund.

4. Approval of Workers' Compensation Claims at or Under \$100,000 for 2017

Ms. Whiting requested approval of the settlement of the Bureau of Workers' Compensation claims against The MetroHealth System in an amount as set forth in the 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 for 2017 in the amount set forth in the detailed listing of these claim settlements in the confidential addendum which is made a part of this Resolution, to be paid from the Workers' Compensation Fund.

There being no further business, the meeting adjourned at 3:05 p.m.

Respectfully submitted,

Michael Phillips  
Senior Vice President and Chief Legal Officer