

BOARD OF TRUSTEES
The MetroHealth System

Date: May 22, 2019

Time: 8:00 a.m.

Place: The MetroHealth System Board Room

Present: Ms. Dee (via telephone), Mr. Hairston, Mr. Hurwitz, Mr. McDonald, Mr. Monnolly, Mr. Moss, Dr. Silvers, Ms. Whiting

Staff: Dr. Boutros, Dr. Boulanger, Ms. Brown, Dr. Chehade, Mr. Jones, Ms. Kline, Mr. Phillips, Ms. Platten, Mr. Richmond, Mr. Stern, Ms. Wahl, Dr. Watts, Dr. Werner

Guests: Mr. Brian M. O'Neill, Chair, Board of Directors, The MetroHealth Foundation;
Dr. Patricia Thomas, Vice Dean of Medical Education, Case Western Reserve University School of Medicine

MINUTES OF MEETING

The meeting was called to order by Ms. Whiting at 8:00 a.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 March 27, 2019.
RESOLUTION 19286.

2. Consent Agenda

A. Audit and Compliance Committee – No Meeting

B. Community Engagement Committee – None

C. Diversity Committee – No Meeting

D. Executive Committee – None

E. Facilities and Space Committee

1. The Board unanimously approved the amendment of the agreement with Turner Construction Company as the Construction Manager at Risk for the Campus Transformation project to provide construction services and set the Guaranteed Maximum Price (GMP) for Phase B. The GMP for Phase B shall not exceed \$68,927,490 for a total amended agreement amount not to exceed \$204,765,790 to be paid out of capital funds previously approved through Board Resolution 19088. RESOLUTION 19287.

2. The Board unanimously approved the amendment of the agreement for medical equipment planning, audio/visual, technology and security consulting services with Mitchell Planning Associates for the Campus Transformation project to provide additional exterior security design services. The total fees for this additional work shall not exceed \$51,100, for a total amended fee amount not to exceed \$2,169,635, to be paid out of capital funds previously approved through Board Resolution 19088. RESOLUTION 19288.
3. The Board unanimously approved the amendment of the agreement with HGA Architects and Engineers, LLC to provide additional architectural and engineering services for the Campus Transformation project. The total fees for this additional work shall not exceed \$1,373,500, for a total amended fee amount not to exceed \$34,342,953 to be paid out of capital funds previously approved through Board Resolution 19088. RESOLUTION 19289.
4. The Board unanimously approved the capital expenditure for the improvements to the Main Campus cafeteria and kitchen for aggregate costs not to exceed \$2,500,000, to be paid out of available capital funds. RESOLUTION 19290.
5. The Board unanimously approved the lease as more fully described in Attachment A, with the adjustment made at the Facilities and Space Committee meeting. RESOLUTION 19291.
6. The Board unanimously approved the requested amendment to the current lease for space of a community-based outpatient care location as more fully described in Attachment A. RESOLUTION 19292.
7. The Board unanimously approved the capital expenditure for the improvements to the new health center location on the campus of Urban Community School for aggregate costs not to exceed \$6,165,000, to be paid out of available capital funds. RESOLUTION 19293.

F. Finance Committee – None

G. Legal and Government Relations Committee – No Meeting

H. Nominating Committee – No Meeting

I. Patient Experience Committee – None

J. Quality and Safety Committee - None

3. President and CEO's Report

Dr. Boutros began by acknowledging Ms. Whiting's first meeting as Chair of the Board of Trustees. MetroHealth received an Auditor of State Award for the completed audit done in record time and received confirmation from Moody's concerning our rating and stable outlook. It is with pleasure and honor on behalf of MetroHealth that Dr. Boutros announced Susan Fuehrer will be joining MetroHealth as President of the soon to be named Social Determinants of Health and Health Equity Institute reporting to Dr. Nabil Chehade. Ms. Fuehrer is currently Chief Executive Officer of the VA Northeast Ohio Healthcare System and is an extraordinary executive with vast experience in life altering matters that people face such as housing and addiction. A relationship

has been established with a pediatric provider partner and the agreement will begin July 1, 2019, and, if all goes as planned, will be for a 10-year term.

4. Nursing/Magnet Report – Melissa Kline, Chief Nursing Officer

Ms. Kline reported that MetroHealth held their first Walk of Honor in April in part due to April being Donate Life Month to encourage organ, eye, and tissue donors to sign up on the national registry, but also to honor and provide closure to both family and staff when a patient becomes an organ donor. Physicians, nurses, social workers or other staff line the hallways to pay respect and show support and gratitude as the donor followed by family members is transported to Lifebanc's Donor Care Center. Nurses week was celebrated May 6 through May 10; awards were distributed to those listed in the President's Report. Over 200 nurses were nominated for awards and another 50 non-nurses nominated for the Friend of Nursing Award, which Friend of Nursing Award was given to Charles Hopko in Clinical Engineering. The World Health Organization has designated next year, 2020, as "Year of the Nurse" to honor the 200th anniversary of Florence Nightingale's birth.

5. Medical Staff

A. Report of Medical Staff President – Dr. Sandra Werner

Dr. Werner began with announcements: Dr. David Crow has been appointed the permanent Chair of Dermatology; Dr. Crow is also overseeing the pathology laboratory that has been designated and accredited as an official Rose Laboratory; and Dr. Ben Roitberg has been named Medical Administrator of the Neuromusculoskeletal Service Line. The Advanced Practice Provider Council recognized two MetroHealth staff with awards: Tammy Coffee received the 2019 Maggie Kubovchik Award for advanced practice providers who show excellent leadership, and Elizabeth Goodrich received the 2019 Physician Assistant Excellence Award. MetroHealth, in collaboration with Northeast Ohio Medical University and Case Western Reserve University (CWRU), were awarded a \$500,000 grant from the Ohio Mental Health and Addiction Services to develop an opioid response initiative to train medical students on pain management and opioid use disorders. Dr. Charles Emerman, will lead alongside Dr. Joan Papp and other educators and clinicians from MetroHealth, as well as other organizations and CWRU. The MetroHealth Rehabilitation Institute has over \$52 million in extramural research funding. Two new MetroHealth providers are: Dr. Richard J. Blinkhorn, who began his career at MetroHealth in the late 1980s through the mid-2000s, became Chair of the Department of Medicine effective May 13, 2019; and Dr. Amy Ray heads the Infectious Disease Department and comes to MetroHealth from University Hospitals. At the request of Dr. Werner, Ms. Whiting made a motion and the Board unanimously approved the Medical Staff Appointments and Actions for May 2019, as well as the Medical Executive Committee Minutes of April 12, 2019.

B. Approval of Medical Staff Providers Appointments, Actions and Reappointments – May 2019

1. The Board unanimously approved the Medical Staff Providers Appointments, Actions and Reappointments for May 2019. RESOLUTION 19294.

C. Medical Executive Committee Minutes – April 12, 2019

D. Report of Case Western Reserve University (CWRU), School of Medicine – Dr. Patricia Thomas

Dr. Thomas stated that CWRU is grateful that Dr. Boulanger was present to shake each of the 202 graduates' hands at the CWRU graduation commencement held on Sunday, May 19, 2019, noting that 39 students were admitted to the next class of Physician Assistants on Monday, May 20, 2019. Dr. Thomas reported that the move is being made into the Samson Pavilion by the physician assistant students, the doctoral nursing students and CWRU staff. CWRU will be hosting incoming ninth graders from the John Hay High School on June 5, 2019, to walk through the building, participate in active learning at various stations, and learn about different health professions. Dr. Robert Jones from the Department of Emergency Medicine accepted an appointment as Assistant Dean for Clerkship Education at MetroHealth effective June 1, 2019, and will be responsible for the Clerkships for CWRU students and will assist the two other Assistant Deans to have comparability and enhancements for the CWRU third-year clerkships.

6. Audit and Compliance Committee – No Meeting

7. Community Engagement Committee – Canceled

8. Diversity Committee – No Meeting

9. Executive Committee – No Report

10. Facilities and Space Committee

A. Report of Committee Chairperson Monnolly

Mr. Monnolly reported that Facilities have had normal plumbing problems that come with buildings of this age. Two community outreach events were held with 100 people attending on May 14 and 75 people on April 11, noting MetroHealth is educating and encouraging participation in the project by the members of the community and local and minority groups that were present. Dr. Boutros added that MetroHealth is reaching out to smaller businesses in the community and introducing them to individuals in the larger organization to form a relationship and noted that five have already participated. Mr. Monnolly reported that a report was given on the progress and scheduling of the Campus Transformation, and he is pleased to announce that MetroHealth is on budget and on target for completion. Project activities include the installation of approximately three caissons a day with a total of 320 caissons to be installed that measure approximately 30" to 78" in diameter down to the bedrock and installed up to 125 feet below ground. Concentration is focused on the Central Utility Plant (CUP) as that will be the first building erected; as of May 20, 32 caissons had been installed. Excavation started on April 24 and has been completed with 43,000 yards of dirt removed. A wall has been installed against the Prentiss Center where 240 H beams have been sunk with timbers between each with an elevation difference between the two properties. The roadway from Scranton to the new parking garage should be completed shortly. The steel erection for the CUP should begin approximately August 26 with hopes of seeing steel being erected for the new hospital beginning January 8, 2020. Dr. Boutros added that the visible fabrication and timing of steel will be like seeing construction of an erector set with two teams involved, one installing the beams and the other fastening it together. Mr. Jones added that at the end of Summer 2020 the whole frame should be done. Mr. Monnolly noted that in the Consent Agenda the Board of Trustees approved a resolution in the amount of approximately \$68,900,000 to set the guaranteed maximum

price for Phase B which is the purchase of the skin of the building such as the panels, studs and outside walls.

B. Non-Consent Agenda

1. Action Items - None
2. Information Items
 - a. Facilities Management Update
 - b. Campus Transformation Update

11. Finance Committee

A. Report of Committee Chairperson Moss

Mr. Moss stated the meeting of the Finance Committee began on April 17 with a report from Mr. Richmond on the Income Statement, noting the Earnings Before Interest, Depreciation and Amortization (EBIDA) was \$18.6 million for the quarter, which is a decrease of \$1.3 million in the first quarter of 2018; the EBIDA was \$2.2 million better than projections as seen in previous years. Revenue was up \$16 million from last year and \$12 million over projections. Expenses were \$17 million more than the first quarter of 2018 and \$9 million more than projected due to high expenses of supply costs, salary and wages. In reviewing the Statement of Net Position (Balance Sheet): (1) assets are \$1.9 billion which is an increase of \$20.5 million from 2018 due to an increase in HCAP, UPL and CICIP which are government supplemental programs; and (2) liabilities are \$2.2 billion which is an increase of \$5.6 million from 2018 due to accounts payable and the timing of payroll.

Mr. Himes reported on GASB 68, which is a pension liability that is an accounting liability but not a legal liability and does not monetarily affect the Balance Sheet, noting the assumptions for investment returns will be reduced by the State of Ohio on the pension of the System by approximately 7.5% to 7.2%, thus increasing the liability on paper and be reported on the financials making the Income Statement looking worse.

Mr. Richmond reported that MetroHealth adopted GASB 68 in 2015 which is associated with a change in accounting relating to pensions. The entries recorded in the books are accounting liabilities and not legal liabilities, noting the only legal liability The MetroHealth System is required to pay is the 14% of individuals' earned wages. The capital markets and rating agencies understand GASB and, as Dr. Boutros reported earlier, Moody's affirmed our rating in a detailed report that reflects their calculation of our accounting liability to evaluate the credit of MetroHealth and, when the accounting liability is removed, MetroHealth's net assets are approximately \$541 million.

B. Non-Consent Agenda

1. Action Items - None
2. Information Items
 - a. First Quarter 2019 Financial Results
 - b. First Quarter 2019 Operating Performance Volumes
 - c. Accounting & Financial Reporting for Pensions (GASB 68) and Postemployment Benefits (GASB 75) Update

12. Legal and Government Relations Committee – No Meeting

13. Nominating Committee – No Meeting

14. Patient Experience Committee – Meeting Jointing with Quality & Safety Committee

15. Quality and Safety Committee

A. Report of Committee Chairperson Silvers

Dr. Silvers stated the first meeting of the joint Patient Experience Committee and Quality Safety Committee met on May 8, 2019, and a recommendation to consolidate was suggested at the Board of Trustees' retreat. The Arts in Medicine program shows evidence that it makes a difference in terms of employee and patient outcomes. The Patient Safety and Volunteer and Guest Services programs consist of not only MetroHealth staff but lay people and patients that we serve who provide positive input. The FIT system-wide quality improvement project was one of the most interesting as it is a replacement for the FOBT method of colon cancer screening. The 2019 Pilot Leadership Rounding program has begun with staff members and has been very successful; a few Board members were involved in the leadership rounding approximately three years ago and, once the program expands in the Fall, Board members will be invited to make rounds to give us a sense of what's happening at the hospital. A brief review of the Medicare Hospital Compare data indicates Medicare will look at two goals to consider how we perform with respect to the market and the improvement of social determinants in health. We are making progress in the eight individual metrics that comprise the System quality goals, six dealing with ambulatory care, one in pediatrics, and one regarding inpatient infection prevention. Overall it was a great introductory meeting of the two Committees, and future discussions on how to bring patient experience together with quality outcomes will be discussed among the Board.

B. Non-Consent Agenda

1. Action Items - None
2. Information Items
 - a. Arts in Medicine
 - b. Patient Safety Week and SERs
 - c. FIT Testing Project
 - d. Volunteer Services
 - e. The Leadership Rounding Program
 - f. Report on the Patient Experience and Quality Institute Goals

16. Foundation and System Philanthropy Report – Kate Brown – President, The MetroHealth Foundation and MHS Chief Development Officer

Ms. Brown began her report with a reminder that the goal of MetroHealth's For All of Us campaign is \$100 million, and MetroHealth currently has \$44.5 million with \$7 million committed to capital, noting a gift to support the campaign was received from the Albert B. and Audrey G. Ratner Family Foundation. Gifts that included grants have been received from the AT&T Foundation to support a STNA Program and partnership with the Lincoln West School of Science and Health and The Howard Hanna Children's Fund that supports MetroHealth's pediatric effort. The MetroHealth Foundation Board meeting is being held on May 23, 2019, and the Foundation will be requesting approval of two new members: Heidi Petz, President and General Manager Retail for the North America Consumer Brands Group at the Sherwin Williams Company, recently moved to Cleveland and was previously employed with Valspar; and Jason Bristol, a Partner at Cohen Rosenthal & Kramer LLP, is a long-time Ohio City resident who is very active in the Cleveland-Marshall College of Law and the Near West Theatre campaign. At that meeting an Onboarding Task Force, of which Melissa Kline is a proud member assisted by Theresa Hannu

from the nursing team and current Board members, will present their findings that would assist the Foundation Board Members' engagement with MetroHealth and will consist of a mentoring program and a one-year curriculum beginning Summer 2019.

Mr. O'Neill added that interest since the ground breaking provided discussions with major donors, and he is pleased to report extreme interest around the economic development and work force development. The Foundation is working closely with Dr. Boutros and the CCH team that could bring major gifts to MetroHealth by other Foundations. Mr. O'Neill thanked the System Board Members and the leadership team that have assisted with the donor meetings and also Foundation Board recruitment.

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

Following the Executive Session, the meeting reconvened in open session at approximately 9:30 a.m.

17. Other Board Items

A. Approval of Workers' Compensation Insurance Program

The Chair noted that the Chief Legal Officer provided information concerning a recommendation for the approval of the Workers' Compensation Employer's Liability Insurance Coverage program. There being no further questions, the Board unanimously approved the purchase of Workers' Compensation Employer's Liability Insurance, to be paid out of operating funds from: (a) Select Assurance Captive, LLC for coverage of claims in excess of \$50,000 with limits of \$1,250,000 at a funding premium not to exceed \$806,895; for the policy period of June 1, 2019 through June 1, 2020; and (b) Midwest Employers for coverage of claims in excess of \$1,250,000 with limits of \$500,000,000 at a premium not to exceed \$378,288 for a two-year policy period of June 1, 2019 through June 1, 2021. RESOLUTION 19295.

B. Approval of the Formation of an Ohio Nonprofit Business Entity

The Chair noted that the Chief Legal Officer provided information concerning a recommendation for the formation of a new Ohio nonprofit business entity for the purpose of providing certain outpatient health services at one or more locations off the main campus. There being no further questions, the Board unanimously approved the formation of an Ohio nonprofit corporation or limited liability company new business entity with the MetroHealth Trust serving as the sole member of this new entity; the new entity will be organized to conduct activities consistent with the System's mission and strategic objectives and, in accordance with the terms of the MetroHealth Trust; the President and Chief Executive Officer will report on the formation and activities of any new entities. RESOLUTION 19296.

C. Approval of Authorization of the Chief Financial Officer to Declare the Official Intent of MetroHealth to Reimburse Expenditures From Proceeds of Tax-Exempt Obligations

The Chair noted that the Chief Financial Officer provided information concerning MetroHealth intending to finance certain capital projects on a long-term basis with proceeds of tax-exempt obligations and MetroHealth may pay for certain costs of these projects with MetroHealth funds prior to the issuance of tax-exempt obligations. There being no further questions, the Board unanimously approved the authorization of the Chief Financial Officer to declare the official intent of MetroHealth to reimburse expenditures from proceeds of tax-exempt obligations. RESOLUTION 19297.

D. Approval of Allocation of Additional Capital Funds for 2019

The Chair noted that a recommendation had been made for the approval of allocation of additional capital funds for 2019. There being no further questions, the Board unanimously approved an increase to the amount of capital funds for 2019 from \$30 million to \$40 million to be funded from 2019 operating cash flow for the ongoing operations of MetroHealth. RESOLUTION 19298.

The Chair noted the discussion surrounding the settlement of Claim No. 17-15-0616 by the Chief Legal Officer. There being no further questions, the Board unanimously authorized and ratified settlement of Claim No. 17-15-0616 in an amount not to exceed \$625,000. RESOLUTION 19299.

The meeting adjourned at approximately 9:40 a.m.

NEXT MEETING: July 24, 2019 (WEDNESDAY) – 8:00 a.m.

The MetroHealth System

Respectfully submitted,

Vanessa Whiting, Chairperson

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