

**TARRANT COUNTY HOSPITAL DISTRICT (TCHD)  
d/b/a JPS HEALTH NETWORK  
BOARD OF MANAGERS MEETING  
THURSDAY, FEBRUARY 10, 2011**

The TCHD Board of Managers met on Thursday, February 10, 2011 in the auditoriums of JPS Health Network Outpatient Building, 1500 South Main Street, Fort Worth, Texas for a meeting with the following Board Members present:

Scott Fisher, Chair  
Trent Petty, Vice Chair  
Tonya Veasey, Board Secretary  
Dan Serna, Member  
Rev. Ralph Emerson, Member  
Bruce Capehart, Member  
Charles Webber, M.D., Member  
Rex Hyer, M.D., Member  
Charles Powell, Member  
Roy Lowry, D. O., Member

Members Absent: Karen Van Wagner, Ph.D., Member

Guests Attending: Vicki Keiser, Deloitte  
Marchelle Parker, Deloitte

Others Attending: Robert Earley, President/CEO  
Jane Sanford, Judge Glen Whitley's Office  
Krystal James, Precinct Administrator  
Jeni McGarry, Precinct Administrator - (Initial Meeting)  
Elizabeth Carter, M.D., President, Medical Staff  
Gary Floyd, M.D., Exec. Vice President Medical Affairs  
G. Sealy Massingill, M.D., Past President, Medical Staff  
Jay Haynes, M.D., Sr. Vice President, Occupational and Employee Health  
David Salsberry, Chief Financial Officer  
Doris Hunt, Vice President, Finance  
Scott Rule, Vice President Planning and Analysis  
Regina Berman, Sr. Vice President Quality & Case Management  
Deborah Bostic, Nursing Consultant  
Joana Adams, Nursing Consultant  
Colene Fielding, JPS Physician Group, Dir. of Finance  
Chris Dougherty, Sr. Vice President Community Health  
Wendy Burkholder, Vice President, Community Health  
Rick Edwards, M.D., Vice President, Outpatient Clinical Services  
Josephine Fowler, M.D., Vice President Academic Affairs  
Rick Stevens, Vice President, Support Services  
Charles Williams, Vice President of Operations  
Kathleen Whelan, Vice President of Operations  
Dresdene Flynn-White, Vice President Human Resources  
Erma Lee, Compliance Officer  
Marvin Collins, District Attorney's Office  
Ann Diamond, District Attorney's Office  
Neal Adams, General Counsel  
Alex Branch, Fort Worth Star-Telegram  
Elizabeth Bassett, Fort Worth Business Press

Dennis Killey, Tarrant Alliance for Responsible Government  
David Slee, JPS Chaplain  
Dee Post, Recording Secretary

## **I. Call To Order:**

The meeting was called to order by the Board of Managers Chair Scott Fisher at 12:27p.m.

## **II. Opening Prayer & Pledge to Flag:**

David Slee, JPS Chaplain, led the audience in the prayer and pledge to the flag.

## **III. Board Chair Report, Deliberation(s) and/or Action(s) – S. Fisher**

### **A. Recognitions**

1. Mr. Earley recognized Leslie Herman, Director of the Medical Library for her department's efforts in being awarded Accreditation with Commendation by the Texas Medical Association Committee on Continuing Education.
2. Mr. Earley recognized Ms. Post for her 15 years of service.

### **B. Board Chair Reports –**

There were no reports.

## **IV. Hearing of Citizens**

There were no citizens.

## **V. Approval of Minutes:**

### **A. Board Minutes – January 13, 2011**

Dr. Webber made the motion to approve the January 13, 2011 Board minutes. Ms. Veasey seconded the motion. All members were in agreement and the minutes were approved.

## **VI. Administrator's Report, Update on District Activities, Deliberation(s) and/or Action(s) Thereon: R. Earley**

### **A. Update on District Activities**

1. **Meeting with Tarrant County Legislative Delegation** - Mr. Earley informed the Board that he met with the Tarrant County delegation last week in Austin and with other Legislative representatives regarding the Public Hospitals and emphasized the role of the Safety Net Hospitals in the State.
2. **Legislative Update** – Mr. Fisher reported that he and Mr. Powell attended the Texas Hospital Association Annual Conference last week regarding the new healthcare model. He added that this was also a combined meeting with Texas Healthcare Trustees. Mr. Fisher added that the meeting dealt with items regarding the hospital crisis on state funding.
3. **Continued Medical Education Accreditation** – See item III. A.
4. **South Campus Update** – Mr. Earley updated the audience on the South Campus incident. Mr. Earley publically thanked the Fort Worth Police Department, the JPS Police Department and employees. He added that Dr. Podawiltz and his staff were immediately available to meet with the employees involved in this incident. Administration is in the process of reviewing security systems at all JPS sites as a result of this incident.

5. **Board Retreat** – Mr. Earley reminded the Board that the Board Retreat will be Friday, February 18<sup>th</sup> at the Riley Center.

Jeni McGarry, Precinct Administrator to Commissioner Nguyen arrived for her initial meeting. Mr. Fisher introduced her to the Board.

**VII. Deliberations(s), Action(s) and/or Approval(s) Regarding the Resolution Approved by Commissioners Courts on February 1, 2011 to Name the Tarrant County Public Health Building the “Dr. Marion J. Brooks Building” – R. Earley**

Mr. Earley presented a Resolution from the Commissioners Court of Tarrant County requesting that the Tarrant County Hospital District Board of Managers name the building in which the Tarrant County Public Health Department is located the “Dr. Marion J. Brooks” building. Mr. Powell made the motion to approve the above building name as recommended by Tarrant County Commissioners Court. Ms. Veasey seconded the motion. All Board members were in agreement and the motion passed unanimously.

**VIII. Discussion(s), Update and/or Information Regarding the Cost/Benefits of Medical Students to Tarrant County Hospital District – G. Floyd, M.D., J. Fowler, M.D.**

Drs. Fowler and Floyd presented a brief overview of medical education and a summary regarding the training of medical students at JPS. The presentation included the objective impact and the benefits of training medical students and the cost of student education for JPS. Dr. Fowler informed members that there are currently twelve residency programs at JPS. Members were further informed that JPS also educates more than 700 nurse trainees each year. Mr. Adams informed the Board that the State of Texas only funds medical schools and not graduate medical education programs. Dr. Hyer commented on the value of medical students at JPS. Dr. Floyd commented that they wanted the Board to understand these funds and that they are looking into other medical schools who are not utilizing their community hospitals.

Dr. Carter arrived at 12:56 p.m.

**IX. Items to be Withdrawn from the Consent Agenda:**

Mr. Adams informed members that the Executive Committee scheduled for February 9, 2011 did not meet due to the inclement weather and removed items XI. A. and B. from the consent agenda. These items will be presented at the March Executive Committee meeting.

Mr. Adams also referred members to item XV. E. and informed members that only revisions to Part 1 of the Medical Staff Bylaws are included in today’s Board book but that there are also a few edits to Part IV of the Medical Staff Bylaws that he would also like considered under item X. Approval of the Consent Agenda. All Board members were in agreement.

**X. Consent Agenda: All Items with Asterisks (\*\*) are Part of the Consent Agenda, were Discussed in Board Committee Meetings, May Require Little or No Deliberation by the Board of Managers, but Require Board Approval.**

Dr. Webber made the motion to approve the remaining consent agenda items. Mr. Petty seconded the motion. All Board members approved and the motion passed unanimously.

**XI. \*\* Matters from the Executive Committee Requiring Deliberation(s), Action(s) and/or Approval – S. Fisher****\*\* A. Tarrant County Hospital District Corporate Compliance and Business Ethics Plan**

This item was tabled from the consent agenda under item IX.

**\*\* B. Internal Audit Department Charter**

This item was tabled from the consent agenda under item IX.

**XII. Matters from the Finance Committee Requiring Deliberation(s), Action(s) and/or Approval – T. Petty**

Mr. Petty informed the Board members that the January 26, 2011 draft Finance Committee minutes have been distributed to everyone and that he has nothing more to add.

**\*\* A. Unapproved, January 26, 2011 Draft Finance Committee minutes.**

The above draft minutes were distributed.

**B. Deliberation(s), Action(s) and/or Approval(s) Regarding 2010 Fiscal Year-Ending Audit Report (Draft) and Management Letter - Marcelle Parker and Vicki Keiser/Deloitte**

Ms. Keiser referred members to tab 7 and informed them that the audit report is the result of the Deloitte audit of the combined financial statements of Tarrant County Hospital District as of and for the year ended September 30, 2010. She added that this report summarizes the scope of their engagement and the related reports to be issued. The completion of this year's audit was accomplished through the effective support, coordination, and assistance of Tarrant County Hospital District's Accounting, Information Managements, and Grant Management Departments. She added the Deloitte audit plan represents an approach that is responsive to the assessment of risk for Tarrant County Hospital District.

This audit was designed to 1) issue an opinion on the combined financial statements of the District, 2) issue a management letter to District management, and 3) issue the single audit report. Areas of audit focus included cash, investments, accounts receivable, Texas Disproportionate Share program receivable and revenue, property, plant and equipment, self-insurance liabilities, third party settlement accounts, net patient service revenue, advalorem tax revenue and information technology. Ms. Keiser continued by reporting all of the required deliverables will be completed within the timeframes mandated by bond compliance or governmental requirements.

Deliverables include the draft audit of the combined financial statements, the draft single audit, the draft management comment letter and the required communications to the Board of Managers. Ms. Keiser reviewed the required communications included on pages 29 – 31. She informed members that it is the opinion of Deloitte that relationships with the District meet all of the professional standards regarding independence. Ms. Keiser briefly described the policies, procedures and safeguards to preserve independence. Ms. Keiser further reported that there were no disagreements and that the Deloitte staff had access to all records. She also added that there were no differences in the audit process and that Deloitte was not aware of any irregularities. Mr. Fisher asked if there were any questions and there were none.

Ms. Parker continued by reviewing the benchmarking statics. She reviewed how JPS Health Network compares to other larger metropolitan hospitals regarding long-term debt to total assets, day's cash on hand, cash flow to total debt ratio, salary and benefits per FTE, and productivity and capital structure.

Ms. Keiser informed the Board that there were no items found in the single audit. Mr. Serna commented that he feels this is important to mention. Mr. Petty commended Deloitte, along with the JPS staff for their hard work and dedication to the audit. Mr. Petty reminded the

Committee that RFPs will go out next year for this process and that this is normal procedure. Mr. Serna asked Ms. Parker if they had noticed any compliance issues and Ms. Parker replied that there were no significant findings or any items of great concern. She added that JPS is considered low risk.

Mr. Serna requested that the Hospital District revise the policy and procedures to include that the entire year-ending audit report be received at least by the Finance Committee if not to the full Board of Managers and made the motion to approve the 2010 Fiscal Year-Ending Audit Report (Draft) and Management Letter. Rev. Emerson seconded the motion. All committee members were in agreement and the motion was approved.

#### **C. CFO Report and Update – D. Salsberry**

**\*\* 1. Fixed Asset Inventory Executive Summary – D. Salsberry, D. Hunt**

**\*\* 2. Transfer of Funds – JPS/Partners – D. Salsberry**

**3. EPIC Project Update – Steve Filler for J. Venturelli**

Committee members were referred to tab 10 of the Finance book. Mr. Filler reviewed the project timeline included on page 102 and explained that the color red represents where JPS is today. Mr. Filler informed members that the design session begins February 22, 2011 and that all Board members are invited. He further reported that the project is on time as budgeted. Mr. Filler referred members to the project status update slide included on page 103 and pointed out the EPIC training and certification. Mr. Filler informed members that JPS employees are demonstrating the best of the best and have been passing at a rate of 86 percent.

Mr. Filler continued by reviewing the project organization chart included on page 104. Mr. Filler informed members that a positive variance will be seen regarding the JPS and Consulting Project Team as not all of the staff has been hired at this time and servers are being secured on an as-needed basis. Mr. Filler further reported that some of the resources for the operating portion of the project and some Epic costs will be presented at a later date. Mr. Filler then referred members to page 105 and informed them that this page includes the top ten areas to be addressed. There were no questions for Mr. Filler regarding this project. Mr. Earley commented on the strong support of the medical staff for this project. This item was presented for information purposes and no approval was required.

**Dr. Lowry arrived at 1:26 p.m.**

#### **D. Deliberation(s), Action(s) and/or Approval(s) Regarding December 2010 Unaudited Financial Reports Including JPS Physician Group – B. Whitman/D. Salsberry/C. Fielding**

Mr. Salsberry referred members to page 111 and highlighted patient volumes for the month. He informed members that December was a busy month and that the daily census continues to remain strong. He reported that outpatient volumes increased by 2.6 percent and adjusted patient days were above budget by 5.6 percent. Births continue to decline and this trend is metroplex wide. Mr. Salsberry continued by reporting that surgery cases increased by 10 percent for year to date and cases increased by about 235 cases. The Network Operating Indicators sheet was distributed and Mr. Salsberry reported that the arrival to admit hours was 8.36 which is down from prior months. The arrival to discharge numbers continues to improve and the left without being seen percentage arrival to admissions numbers have been stable for the last few months. Mr. Salsberry continued by reporting the community health centers indicators and informed members the abandonment rate continues to decrease while the number of incoming calls remains stable from the past several months. He concluded this portion of the report by informing members that the next appointment available dates are unchanged from prior months and that the statistical bench marks are provided by University Health Consortium.

Debbie Bostic reviewed the Press Ganey mean Trends graphs that were distributed at the meeting. This report included the inpatient, ambulatory surgery and emergency departments of JPS and all of the medical practice sites located in the JPS Health Network. Ms. Bostic informed members that JPS has made significant improvements between 2007 and now in the four areas listed above, but that there is still work to be done as the goal is 85 percent. She explained that bed side shift reports and the rounding processes were implemented. Rev. Emerson asked how the District determines the factors to use in order to move the District towards improvement. Ms. Bostic replied that the District utilizes Studer Group methods such as rounding. Ms. Bostic provided an explanation of the rounding process. Mr. Earley commented on how helpful the discharge phone calls have been. Ms. Veasey informed the audience that she remains concerned about the numbers as it has been three years since the District began focusing on increasing the patient perception of care. Ms. Bostic responded that she has only been here three months and she agrees the numbers are not good enough but that it takes time for processes to change and time to remove barriers. She added that the momentum is good and that the District celebrates its successes. Ms. Bostic added that up to now the rounding process has been inconsistent. She reminded the group that changes have been made to the organizational structure and that it will take everyone to make this process work. Mr. Dougherty informed members that the Studer Group tactics are also beginning taking place within the community and that the numbers should continue to climb.

Ms. Bostic continued by reporting that the ambulatory surgery numbers have begun an upward trend and that the emergency department trend has also increased slightly. She added that Dr. Smith, a Studer Group physician was brought into the emergency department to work with their staff. Members were informed that the emergency room staff deals with a patient flow of seeing about 250 patients a day and that the District is considering going to a split patient flow process in order to assist with the patient flow. Members were informed that there will be more on this at a later date. Dr. Webber commented that with the exception of the past couple of years, in his tenure here at JPS improving patient care was not an issue that the Board and Executive staff considered. He added that some patients have no other facility to go to and that no one took into consideration if the JPS patients and employees were happy. Mr. Capehart thanked Dr. Webber for bringing this comment to the Boards attention and added that this is one reason this improvement is so difficult.

Mr. Salsberry again referred members back to page 111. Mr. Salsberry commented that the volume variance trend is high, which has caused a significant demand to contract labor and overtime costs. Mr. Salsberry continued by reporting that supplies increased slightly for the month and that the total operating margins are less than what was expected. The operating cash flow is less than expected due to the economy and tax collections being down from this same time as last year. Mr. Salsberry informed members that management is working to eliminate contract labor and that it will take time for several of the agreements to expire. He added improvements have been made in reducing overtime hours. He further commented that supply expenses and operating margins are down for the month. Mr. Salsberry added that the day's cash-on-hand was above the District's expectations for the month.

**Tonya Veasey left the meeting at 2:02 p.m.**

Mr. Salsberry referred members to page 119 and informed members that tax revenues are about \$2 million below of where the District was this same time as last year. Mr. Salsberry noted that there no other significant items to note in the balance sheet. Mr. Salsberry then referred members to the December income statement included on page 116. He informed members that patient revenue increased due to the strong patient volumes. He added that the total operating revenue, purchased services, supplies and physician fees increased due to the increased patient volumes. Mr. Salsberry further reported that income from operations and non-operating revenues decreased for the month and that the net income is about \$1.6 million below budget for the year.

There was a short discussion regarding contract labor. Dr. Hyer commented that some people go into contract due to just needing to work a few days a week. Mr. Salsberry added that the District's challenge is finding staff for skilled positions. Ms. Bostic informed members that the District is in the process of hiring staff to a pool which will be utilized to assist with contract labor. Mr. Powell commented that there will always be problems but that the new management staff and Board all seem committed to be the best we can be and he appreciates what staff are doing.

**JPS Physician Group** - Members were referred to pages 141 – 143. Coleen Fielding provided the JPSPG report and informed members that the total encounters increased for the month ended in December 2010 compared to December 2009 by 26.4 percent. She commented that the Medicaid payor mix increased by 12.1 percent while the other insured and Connection patients decreased for the month. She added the year to date total encounters increased by 17.7 percent while the year to date payor mix was similar to last year. Ms. Fielding referred members to page 143 and reviewed the JPS Physician Group income statement. She reported the total operating revenues are slightly above budget and that the total operating expenses decreased slightly for the month. Ms. Fielding further stated that the operating margin decreased for the fiscal year and was below budget for the month. There were no questions for Ms. Fielding.

Rev. Emerson made the motion to approve the December 2010 unaudited financial reports. Dr. Lowry seconded the motion. All Board members were in agreement and the motion passed unanimously.

**\*\* E. Deliberation(s), Action(s) and/or Approval(s) Regarding the Following Agreements:**

The items below were all approved under item X. Approval of Consent Agenda Items.

- \*\* 1. Microsoft Enterprise Agreement Renewal – J. Venturelli
- \*\* 2. Proposed Extended Support Agreement between Tarrant County Hospital District and Cerner Corporation – J. Venturelli
- \*\* 3. JPS Professional Office Complex (JPOC) Phase 4A Construction Contract and Project Budget – B. Whitman
- \*\* 4. Proposed Tenth Amendment to current Professional Medical Services Agreement between Tarrant County Hospital District and RadCare of Texas, P.A. – N. Adams, B. Whitman
- \*\* 5. Proposed First Amendment to current Professional Medical Services Agreement between Tarrant County Hospital District and Texas EM-1 Medical Services, P.A. – N. Adams, B. Whitman
- \*\* 6. Proposed Provider Agreement between Tarrant County Hospital District and Medical Advocacy Services for Healthcare Incorporated – N. Adams, D. Salsberry
- \*\* 7. AGFA Healthcare Corporation Service Maintenance Agreement – B. Whitman, K. Whelan

**XIII. Recess and Reconvene in Closed Session:**

The Board recessed and reconvened in closed session at 2:18 p.m.

**XIV. Reconvene in Open Session for Deliberation(s) and/or Action(s) Deemed Necessary Regarding Any Matter Listed on the Closed Session Agenda, Paragraphs XIII. A., B., C., D., E. and F.**

The Board reconvened in open session at 3:00 p.m.

- XIII. C. 1. Appointments/Reappointments to Medical Staff – Dr. Floyd informed members that the Medical Executive Committee recommends approval of the appointments/reappointments of the providers included on the memo that was distributed. Dr. Webber made the motion

to approve the Appointments/Reappointments memo. Dr. Lowry seconded the motion. All Board members were in agreement and the motion passed unanimously.

## **XV. Report of Legal Counsel and/or Legal Matters Requiring Discussion(s), Updates, Deliberation(s), Action(s) and/or Approval – N. Adams**

Items A., B., C., D., and E were approved under item X. Approval of Consent Agenda items.

- \*\* A. Amendment to JPS Health Network Tax Deferred Annuity Plan (a Section 403(b) Plan)**
- \*\* B. Amendment to JPS Health Network Executive 403(b) Plan**
- \*\* C. Amendment to JPS Health Network 457 Plan**
- \*\* D. Resolution Authorizing the Amendment and Restatement of the JPS Health Network Supplemental Retirement Plan**
- \*\* E. Proposed Amendments to Medical Staff Bylaws**

Dr. Carter informed Board members that she wanted them to understand that the amendments to the Medical Staff Bylaws were the result of new Joint Commission Regulations which includes methods to be accountable to the Board and to the Medical Staff. Other changes to the bylaws included privileges have been developed for the use of certain medications for sedations, definitions on what surgeries to perform at the Diagnostic Hospital in Arlington and setting the stage for computer usage in preparation for the electronic medical record.

### **F. Adams, Lynch & Loftin, P.C. First Quarter Report Fiscal Year 2011**

Mr. Adams distributed General Counsels First Quarter Fiscal Year 2011 Report. Mr. Adams reported a decrease in the totals and informed the Board members to contact him if they have any questions.

## **XVI. Adjourn**

Rev. Emerson thanked the Board, Executive staff and employees of JPS for all of their phone calls, cards, thoughts and prayers regarding the loss of his mother.

There being no further business, the meeting was adjourned at 3:12 p.m.

**Approved:**



**Scott W. Fisher, Chairman**