Present:  
Susan Gerard, Chairman, District 3  
Mary A. Harden, R.N., Vice Chairman, District 1  
Mark Dewane, Director, District 2  
Elbert Bicknell, Director, District 4  
Terence McMahon, Director, District 5

Others Present:  
Steve Purves, MIHS, President & Chief Executive Officer  
Kathy Benaquista, MIHS, Chief Financial Officer  
David Wisinger, M.D., MIHS, Interim Chief Medical Officer – left at 3:05 p.m.  
Sherry Stotler, R.N., M.S.N., MIHS, Chief Nursing Officer  
Erik D. Katz, M.D., MIHS, Chief of Staff – left at 3:05 p.m.  
Louis B. Gorman, MIHS, District Counsel

Guest Presenters:  
Michael Fronske, MIHS, Legislative and Governmental Affairs Director  
Jean T. Morris, R.N., MIHS, Director Quality & Care Management  
Gene Cavallo, MIHS, Vice President Behavioral Health Services  
Wyatt Howell, MIHS, Maricopa Health Centers Governing Council Chief Executive Officer  
Wilma Acosta, MIHS, Chief Compliance Officer  
Sara Wilson, Home Assist Health, Executive Director, Chief Executive Officer

Recorded by:  
Melanie Talbot, MIHS, Executive Director of Board Operations  
Cynthia Cornejo, MIHS, Deputy Clerk of the Board

Call to Order

Chairman Gerard called the meeting to order at 1:00 p.m.

Roll Call

Ms. Talbot called roll. Following roll call, it was that all five voting members of the Maricopa County Special Health Care District Board of Directors were present, which represents a quorum.

Pledge of Allegiance

Director Dewane led the Pledge of Allegiance.

Call to the Public

Chairman Gerard called for public comment. There were no comments from the public.
Mission Statement

Ms. Talbot read the Mission Statement aloud.

General Session, Presentation, Discussion and Action:

1. Approval of Consent Agenda:
   a. Minutes:
      i. January 27, 2016
   b. Contracts:
      i. Approve Amendment #2 to the contract (90-15-129-1-02 [ADHS 15-087545]) for Psychiatry Residency Training Program with Arizona Department of Health Services (ADHS). The Agreement provides resident physicians, employed by MIHS, to rotate through Arizona State Hospital (ASH) to provide residents with a unique experience in the provision of care in ASH and the community based public behavioral health system. This Amendment has no financial impact on the already established $3,547,896 initial compensation to MIHS.
   c. Governance:
      i. Ratify selection of Kris Gaw as Maricopa Integrated Health System Chief Operating Officer
         ii. Approve Maricopa County Special Health Care District – Arizona Health Care Cost Containment System Intergovernmental Agreement for Fiscal Year 2014 Disproportionate Share Hospital Funding
   d. Medical Staff:
      i. Approve MIHS Medical Staff Appointments, FPPEs, Reappointments, Change of Privileges/Status, Waiver Requests, and Resignations for February 2016
      ii. Approve MIHS Allied Health Professional Staff Appointments, FPPEs, Reappointments, and Resignations for February 2016
      iii. Approve Proposed Revisions to the Department of Obstetrics & Gynecology Delineation of Privileges
      iv. Approve Proposed Revisions to the Department of Surgery/Plastic Surgery Delineation of Privileges
   e. Proposition 480 Capital:
      i. INTENTIONALLY LEFT BLANK

MOTION: Vice Chairman Harden moved to approve the consent agenda. Director Dewane seconded. Motion passed by voice vote.
2. Discussion and Possible Action on Maricopa Integrated Health System’s 2016 Legislative Agenda and/or the District’s Position Regarding Current or Proposed State and Federal Legislative Items

Mr. Fronske reviewed the current statistics of the legislative session and noted that the executive budget had stalled. He reviewed the bills tracked by staff; SB 1257, which would allow individuals to carry concealed weapons in public places. He stated that so far, staff was unable to amend the Maricopa County Special Health Care District out of the bill. Therefore, staff would continue to oppose it. He noted that staff continued to monitor SB 1412, which addressed the incompetent, non-restorable and dangerous defendants. There were attempts to minimize the impact on the District.

Chairman Gerard stated that there had been several attempts to pass a bill to address that topic in the past, and questioned the possibility of success in the current session.

Mr. Fronske said that he believed that there would be very little opposition; however, it was uncertain if the Legislature was willing to pass a bill without an appropriation to fund the major component of the legislation. He reviewed the remaining bills that staff was monitoring; SB 1364, which would allow a lawsuit for a death due to malpractice or mental health issues to be filed without filing a claim first. He noted that staff would continue to track this bill, as it could have an impact on the District. The last bill, HB 2583, which would require all public boards to have all the meetings audio visually recorded, with the public meetings posted to the public board’s website within 24 hours and executive session meetings stored in a secure location. There were attempts to have the District amended out, as it was an unfunded mandate.

He updated the status of the bills initiated by the District; HB 2308, which would require the District to use Maricopa County Treasurer services, and HB 2290, which would increase the amounts of Disproportionate Share Hospital (DSH) funding received by the District. HB 2308 had passed out of the Committee of the Whole and was awaiting its third reading in the House. HB 2290 was never heard in the committee of origin; however, it served as catalysis for continuing dialogue at the Legislature surrounding DSH funding.

3. INTENTIONALLY LEFT BLANK

4. Discussion and Possible Action on Quarterly Whole Systems Measures Dashboard Including but not Limited to Patient Satisfaction Survey Results/ Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Scores

Ms. Morris reiterated the quality vision and referred to the dashboard that focused on safe care, and noted that all the measures were within the established benchmarks for the previous quarter and the action plans remained in place to continue to reduce complications and infections.

She reviewed the quality healthcare dashboard, which focused on the process of care measures and noted that all but one measure met the established benchmark; the hospital-based inpatient psychiatric services (HBIPS) was outside the target. She reviewed the action plans associated with those measures and noted many of the readmissions were related to the self-pay patient population.

Vice Chairman Harden questioned the relevance of a patient’s financial status in the readmission metric and express concern with the inclusion of that factor in the action plans.

Chairman Gerard asked why the patient’s payer source was significant enough to be included.

Ms. Morris stated that many patients classified as self-pay did not have access to a primary care physician; therefore had a tendency of returning to the hospital for follow-up care. When reviewing the readmission data, staff also looks for opportunities to improve outreach and follow-up needs. That action item was included so staff was aware of the additional needs of that particular population.

Dr. Wisinger added that the payer source of the patient was significant due to the challenges with the self-pay population and the possibility of additional resources and attention needed to address those challenges, and provide better outcomes for the patient. The intent was not to treat patients differently, but to recognize and address the deficiencies the patient may have, in terms of access to reasonable care.

Director McMahon stated that there had been continuing challenges associated with the vulnerable population and requested a plan to address those challenges.

Ms. Morris stated that staff was working on a plan to address this particular high-needs population. She referred to the patient experience plan, and reiterated the two overall questions focused on to rate the organization; the rating of the hospital (scale of 1 to 10) and the likelihood of recommending Maricopa Integrated Health System (MIHS) to family or friends.

She reviewed the results of the inpatient Hospital Consumer assessment of Healthcare Providers and Systems (HCAHPS) scores and noted that MIHS was benchmarked against county-owned hospitals, and was near or better than the established targets.

She reviewed the Clinician and Group Consumer Assessment of Healthcare Providers and Systems (CGCAHPS) for the ambulatory setting and noted that there were opportunities for improvement, in both responses and the return rate of the surveys.

Vice Chairman Harden asked if the number of responses affected the overall score received.

Ms. Morris acknowledged the low response rate and suggested the lack of responses could be attributed to the number of questions included on the survey, which totaled approximately forty questions.

Director McMahon asked if the response rates were comparable to the county-owned systems.

Ms. Morris said that that MIHS's response rates were comparable to other public and county-owned systems that utilize National Research Corporation (NRC).

Vice Chairman Harden questioned how the results from the CGCAHPS were disseminated to the providers.

Ms. Morris said that the information was distributed to the clinics, as the survey addressed the patient’s entire experience, including the clinic staff. The clinic manager shares the results with the providers.

Director McMahon asked if the results were specific to individual clinics.

Ms. Morris stated that CGCAHPS did not identify individual clinics; however, MIHS recently started a program that would be able to receive real-time data and was clinic specific. She continued to review the results of the patient satisfaction for behavioral health, and the action plans to improve the patient satisfaction scores and response rates throughout the organization. She highlighted the improved response rate after staff decided to increase the survey sample to 100% of HCAHPS qualifying patients in July 2015.

Vice Chairman Harden commended staff on the improvement in the number of responses received. She asked what percentage of patients were surveyed prior to July 2015.

Ms. Stotler said that she would validate and provide the answer to the Board.

Ms. Morris explained the Connect Experience, which began in February 2016 in the ambulatory clinics, and included eight questions specific to the clinic and the provider. The data was collected in real-time and would be categorized by individual clinic.

Ms. Talbot stated that there were different inquiries from the Board members to receive, not only the composite scores of the metrics on the dashboards, but the scores for the various indicators included in the composite score. Also, with regard to the hospital acquired condition (HAC) reduction program, were all of the indicators and benchmarks monitored by the regulatory agencies included on the MIHS quality dashboards for continued tracking?

Ms. Morris confirmed that the regulated indicators monitored by the regulatory agencies were included on the quality dashboards.

Director McMahon requested the addition of a trend line for the previous eight quarters to be included on the dashboard next to each metric to ensure that there was continued improvement in the various indicators.

Ms. Morris said that the trend line would be incorporated into the quality dashboards moving forward.

5. Discuss and Review Maricopa Integrated Health System Fiscal Year 2017 Budget Timeline; Discussion and Possible Action on Fiscal Year 2017 Operating and Financial Goals for Maricopa Integrated Health System

Ms. Benaquista reviewed the timeline for the fiscal year 2017 budget planning process and noted the historical information provided. The historical data included adjustments for various factors that had affected the financial operations of MIHS over the years; including the Safety Net Care Pool funds, and the implementation of the Medicaid assessment. She also highlighted the changes throughout the years in the Medicaid eligibility and reimbursement rates, which had a drastic financial impact on MIHS.

Vice Chairman Harden referred to the Medicaid assessment, and asked if that amount was expected to remain constant, moving forward.

Ms. Benaquista said that she had not received any information that stated otherwise. She also noted that there were various calculations to determine the amount each hospital would contribute, which could alter the assessment amount. She continued to review the historical data, including the admissions and services provided for the same period.

Chairman Gerard referred to the statistical information for deliveries and noted that the Board had requested and received information addressing the decline in deliveries. That data stated that MIHS had maintained the same market share for deliveries throughout the state. She requested the data be limited to the market share for Maricopa County and clarification of the timeframe the data represented.

Ms. Benaquista referred to the fiscal year 2016 projections for Maricopa Medical Center (MMC).

Vice Chairman Harden noted the variance in contract labor and asked if there was an action plan in place to address the overage.

Ms. Benaquista stated that contract labor consisted of various departments; however, a large component was dietary and environmental services, with some clinical and information technology. The high utilization was due to the high turnover in the dietary and environmental services departments.
Special Health Care District Board of Directors
Meeting Minutes – General Session – February 24, 2016

General Session, Presentation, Discussion and Action, cont.:  

5. Discuss and Review Maricopa Integrated Health System Fiscal Year 2017 Budget Timeline; Discussion and Possible Action on Fiscal Year 2017 Operating and Financial Goals for Maricopa Integrated Health System, cont.

Director McMahon pointed out that the total amount spent on labor, including contract labor, was less than the established budget. He commended staff on their efforts to manage and reduce the expenses. He stated that the amount for the operating income and excess of revenue over expenses should notate a negative variance.

Ms. Benaquista stated that would be corrected and updated on the website. She reviewed the revenue forecast for fiscal year 2017 and the items that would be considered when formulating the budget, including positive contributions, such as revenue cycle improvements, governmental revenues, and an increase the property tax increase. The forecast also included the loss of revenue from former Meritus patients. She then reviewed the forecasted expenses, which included some optional additional expenses, such as market and merit adjustments.

Ms. Benaquista reviewed the two cash budget scenarios and recommended moving forward with a preliminary negative operating budget of $19.1 million. That course would factor in depreciation, debt principal payments on loans, and allow for emergency and contingency capital; all while preventing further depletion of cash.

Mr. Purves stated that given the current financial challenges, it would be irresponsible to continue with the same budget scenario that was adopted the two previous years. Staff would continue to reduce expenses and improve efficiencies throughout the organization, as it had been doing.

Director Dewane commended staff on reducing expenses, while maintaining programs and services.

Chairman Gerard noted that the preliminary scenario was based on realistic revenues and expenses.

Director Bicknell asked if the District was allowed to adopt a budget with a negative operating balance. If so, how would that benefit the District?

Mr. Purves stated that there were no requirements to adopt a budget with a balanced net income. He stated that it would not be prudent to continue to adopt a budget using the same concept as the previous two years. The recommendation would incorporate an improvement of approximately $10 million over prior year and would allow the District to maintain its cash balance.

MOTION: Director McMahon moved to approve a preliminary fiscal year 2017 budget with a negative operating budget of $19.1 million. Director Dewane seconded.

Vice Chairman Harden requested a roll call vote.

Director McMahon requested clarification that the proposed option was realistic.

Ms. Benaquista stated that the proposal was realistic, based on the information currently available.

Director McMahon noted that a request for a breakeven budget would require extraordinary reductions.

Mr. Purves believed that the recommended direction was the responsible option for the community.

Director McMahon noted that the proposed option would prevent further erodes into the cash balance.

Director Bicknell asked if the recommend figure assumed the full tax levy amount.
5. Discuss and Review Maricopa Integrated Health System Fiscal Year 2017 Budget Timeline; Discussion and Possible Action on Fiscal Year 2017 Operating and Financial Goals for Maricopa Integrated Health System, cont.

Ms. Benaquista stated that the proposed budget assumed the Board would adopt the full tax levy; however, that exact amount was not yet determined.

Director Bicknell stated that his vote reflected the confidence he had in staff and the need to keep the doors of the organization open for the public.

VOTE: 5 ayes; Chairman Gerard, Vice Chairman Harden, Director Bicknell, Director Dewane, Director McMahon. Motion passed.


Ms. Benaquista reviewed the operational dashboard for the month of January 2016. There continued to be a negative variance in labor, which was driven by the decreased volumes. However, there was an improvement in the average daily census for acute patients per day. She noted that observation days and the behavioral health length of stay continued to be over budget, for the month and on a year to date basis.

Chairman Gerard stated that the behavioral health length of stay was a continuing problem and asked what was being done by Mercy Maricopa Integrated Care (MMIC), the Regional Behavioral Health Authority (RBHA), to address it. The challenges with placement after discharge, faced by the RBHA, were affecting the operations of MIHS and staff had to be aggressive in seeking solutions.

Mr. Cavallo said that MMIC had formed a steering committee to address many issues, including emergency room boarding, hospital holds, and extended length of stays in the inpatient setting. There were many moving parts to address the challenges, however, those issues were being reviewed on a statewide level. He also noted that, due to the renegotiated reimbursement rates, there were few uncompensated patient days.

Ms. Benaquista reviewed the ambulatory utilization, which was slightly less than budget for the month. The reduction in volume could be the result of the dissolution of the Meritus health plan, and in addition, there was a slight shift in the payer mix to Medicaid and self-pay.

Vice Chairman Harden referred to the median length of stay in the emergency department and reiterated a previous request to delineate the difference between adult and pediatric emergency departments.

Chairman Gerard asked if the decline in surgeries was due to volume or staffing challenges.

Ms. Stotler stated that number of surgeries correlated to the specialty visits in the ambulatory setting, as well as the inpatient volume.

Ms. Benaquista reviewed the financial dashboard and noted that the operating income was $3.3 million better than budget for the month, and nearly $21 million better than prior year. The net income, without the bond related revenues and expenses, was $3.3 million better than budget for the month, and there was a $21.4 million improvement over prior year.

Vice Chairman Harden referred to the financial statement, and questioned the status of payment for Federally Qualified Health Centers (FQHC) billed charges.

Ms. Benaquista stated that due to changes in the billing requirements, there was a backlog to get those claims corrected and sent out. All of the claims had been corrected and payment was expected within the next six months; however, those payments had been included in the net income due to accrual accounting.

She reviewed the cost accounting reports for the audited fiscal year 2015, which included a summary by major division and by financial class. She noted the cost accounting reports did not include the property tax subsidy, bond revenue, or the health plans.

Vice Chairman Harden referred to the charity care report, which had a negative net margin of nearly $56 million, and asked if that included bad debt as well.

Ms. Benaquista reiterated that the cost accounting reports were generated based on the individual patients, therefore, those categorized as charity care, were truly charity care and did not include bad debt.

BREAK 3:05 p.m. – 3:15 p.m.

MOTION: Director McMahon moved to recess general session and reconvene in executive session at 3:16 p.m. Director Dewane seconded. Motion passed by voice vote.

7. Discussion and Possible Action on Board Policy Statement 99021 G: Financial Assistance

Ms. Talbot stated that the proposed policy incorporated feedback and suggestions from the Board and referenced the FQHC Look Alike Sliding Fee Discount Program and Scale. Staff reviewed the policy and expressed concern with some of the language.

Ms. Benaquista reviewed the two sections that were contradictory, specifically related to providing services. One section states that services would be provided regardless of a patient’s ability to pay and another section states that payment would be received prior to services were provided. The current language may also place unforeseen restrictions on unknown circumstances. She suggested that the policy be reviewed further and presented to the Board next month.

8. Semi Annual Report from the Maricopa Health Centers Governing Council

Mr. Howell highlighted the addition to the clinical management team, the increased use of mid-level providers in the outpatient setting, and the focus on increasing patient access and MyChart utilization. He noted the completion of the annual Uniform Data System (UDS) and submission to Health Resources and Services Administration (HRSA), and expressed appreciation to those that assisted with that requirement.

Director Bicknell asked if patients request transportation services to get to their appointments.

Mr. Howell stated that transportation issues accounted for a large portion of the no-show rate; however, Medicaid patients had access to transportation vouchers to get to their medical appointments. For non-Medicaid patients, the care managers had a small budget to arrange for transportation in extraneous circumstances.
General Session, Presentation, Discussion and Action:

9. Reports to the Board of Directors; Possible Action:
   a. Proposition 480 Capital Purchases Update
   b. Fiscal Year 2015 Non-Privileged Patient Care Staff Competency Report
   c. Compliance Department Report Including Internal Audit and MIHS Finance, Audit and Compliance Committee Activities
   d. Quarterly Report on Home Assist Health (HAH)
   e. Quarterly Report on Mercy Maricopa Integrated Care (MMIC)
   f. Media Report
   g. Strategic Capital Project Post Implementation Review

Vice Chairman Harden referred to the Compliance Department Report (9.c.) and asked how the risk factors for the IT System Security Audit were being addressed.

Ms. Acosta said that she was collaborating with the Chief Information Officer to identify and implement processes to address.

Director Dewane referred to the Quarterly Report on Home Assist Health (9.d.) and inquired about the caregiver satisfaction surveys and the actual performance compared to the proposed pro forma.

Ms. Wilson stated that the lowest point on the caregiver satisfaction survey was due to the lack of hours, as many caregivers were part-time and had requested additional hours. There was a change in the expansion opportunities, from private pay to expanding the current Arizona Long Term Care System (ALTCS) patients and pursuing the Division of Developmental Disabilities contract.

10. Concluding Items
   a. Old Business:

      **November 12, 2015**
      *Annual Board of Directors Compliance Training*
      • HIPAA Risk/IT Research Assessment will be completed by February 2016; Results will be reported to Board of Directors

      **December 9, 2015**
      *Prop 480 Capital (for Board approval)*
      • All requests should have adequate information, including justification, a project timeline, return on investment, useful life, and criteria on which to measure success. Once projects are completed, the Board needs to be provided a comparison on the expected results and the actual results.

      *Prop 480 Implementation Planning Update*
      • Publicize the deliverables to be covered in advance of each meeting

      **Maricopa County Special Health Care District Annual Audit for Fiscal Year Ending June 30, 2015**
      • Future discussion about a potential Board Finance committee
10. Concluding Items, cont.
   
   a. Old Business, cont.:  

   **January 27, 2016**  
   **Reports**  
   • All future reports need to include a one-page executive summary. Reports must be understandable, actionable and meaningful to the Board of Directors

   **Dashboards**  
   • Please provide information/data on the number of births/deliveries at other valley hospitals compared to MIHS (i.e. are their numbers also down 14.5% YTD)  
   • Please differentiate the two overall ED LOS numbers (add words “Peds” or “Adult” if that’s what’s missing)

   **Financial Assistance Policy**  
   • Board members will submit comments/edits. Staff will bring back a revised Board policy statement based on the submissions  
   • Future discussion on the District’s available resources

   **Prop 480 Capital Report**  
   • Please list new figures in a different color (not red)  
   • Please list who is responsible for each grouping

   **Future Agenda Items/Reports**  
   • Board members to contact Board staff to set up meetings with Ambulatory Services Administration regarding the CHC clinic appointment availability report

   b. Board Member Requests for Future Agenda Items or Reports

   c. Comments  
   i. Chairman and Member Closing Comment  
   ii. President & Chief Executive Officer Summary of Current Events

Ms. Talbot reviewed the old business and reiterated the outstanding items.

Vice Chairman Harden referred to the requirements for supporting documentation for Prop 480 capital expenditure requests and stated that the information should also include if the project was transferable to a new facility.

Ms. Stotler referred to the discussion surrounding the CHC clinic availability report and noted that an action plan was being developed to address the issue. The final action plan would be forwarded to the Board upon completion.

Vice Chairman Harden requested a quarterly report after the plan was implementation to monitor the progress.

**Adjourn**

**MOTION:** Director McMahon moved to adjourn the February 24, 2016 Special Health Care District Board of Directors Formal Meeting. Vice Chairman Harden seconded. **Motion passed by voice vote.**
Meeting adjourned at 4:47 p.m.

Susan Gerard, Chairman
Special Health Care District
Board of Directors