Minutes

Maricopa County Special Health Care District
Board of Directors Meeting
Maricopa Medical Center
Auditoriums 1 and 2
June 27, 2018
1:00 p.m.

Present:
Susan Gerard, Chairman, District 3
Mark Dewane, Director, District 2
Elbert Bicknell, Directors, District 4
Mary Rose Wilcox, Director, District 5

Absent:
Mary A. Harden, R.N., Vice Chairman, District 1

Others Present:
Steve Purves, MIHS, President & Chief Executive Officer
Kris Gaw, MIHS, Executive Vice President, Chief Operating Officer
Rich Mutarelli, MIHS, Executive Vice President, Chief Financial Officer
John Hitt, M.D., MIHS, Executive Vice President, Chief Medical Officer
Sherry Stotler, R.N., M.S.N., MIHS, Senior Vice President Clinical Services; Chief Nursing Officer
Kevin G. Lopez, M.D., MIHS, Chief of Staff; Clinical Medical Director of Avondale Family Health Center, Comprehensive Health Center Family Medicine Clinic and Whole Health Home Clinics; Ambulatory Quality Medical Director of the Family Health Centers; and Vice Chairman, Department of Family and Community Medicine
Martin C. Demos, MIHS, General Counsel

Guest Presenters:
Crystal Garcia, MIHS, Vice President Quality Management and Patient Safety
Gene Cavallo, MIHS, Vice President Behavioral Health Services

Recorded by:
Melanie Talbot, MIHS, Chief Governance Officer; and Clerk of the Board
Cynthia Cornejo, MIHS, Deputy Clerk of the Board

Call to Order
Chairman Gerard called the meeting to order at 1:05 p.m.

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

Pledge of Allegiance
Mr. Mutarelli led the Pledge of Allegiance.
Call to the Public

Chairman Gerard called for public comment.

Ms. Gaw introduced Ms. Justina Sanchez Cox as the new Senior Vice President and Chief Human Resources Officer.

Mr. Purves introduced Ms. Lisa Hartsock as the new Foundation Relations Executive.

Ms. Talbot introduced Ms. Cassandra Santos as the new Assistant Clerk.

General Session, Presentation, Discussion and Action:

1. Approval of Consent Agenda:

   a. Minutes:

      i. Approve Special Health Care District Board of Directors meeting minutes dated May 23, 2018

   b. Contracts:

      i. Approve a new Grant Agreement [90-18-403-1 (GRA-MULTI-19-096501)] between First Things First (FTF) and Maricopa County Special Health Care District dba Maricopa Integrated Health System (MiHS) for the continuation of funding for the Care Coordination/Medical Home Services Program.

      ii. Approve Amendment #2 to the Administrative Support Agreement (90-16-195-1-02) between Maricopa Integrated Health System and Maricopa County Clinical Services, Inc., for an additional one-year term through June 30, 2019 and retains the option that the Agreement will be extended for two additional one-year terms.

      iii. Approve Amendment #2 to the lease (90-13-205-1-02) between Southwest Center for HIV/AIDS, Inc. and Maricopa County Special Health Care District dba Maricopa Integrated Health System (MiHS) to house McDowell Clinic Operations for five (5) additional years from August 1, 2018 to July 31, 2023 for an aggregate term of August 1, 2013 to July 31, 2023.

      iv. Approve a new Intergovernmental Agreement grant [90-18-426-1 (ADHS18-205186)] between Maricopa County Special Health Care District dba Maricopa Integrated Health System (MiHS) and Arizona Department of Health Services for Improving the Hepatitis B and C Cascade of Care.

   c. Governance:

      i. Approve Board Policy Statement Policy 99021 G Financial Assistance

      ii. Approve a No-objection letter to the proposed foreign-trade zone designation for AI Arizona DC LLC for the Southwest Corner of Indian School Road and North Cotton Lane in Goodyear, Arizona 85338

      iii. Approve a No-objection letter to the proposed foreign-trade zone designation for BT-OH, LLC (United Parcel Service) for the Northeast Corner of Indian School Road and the Loop 303 Freeway in Goodyear, Arizona 85395
General Session, Presentation, Discussion and Action, cont.:

1. Approval of Consent Agenda, cont.:
   c. Governance, cont.:
      iv. Acknowledge the Following Scope of Project Submissions from the Maricopa Health Centers Governing Council:
         ▪ Dental Clinic at the Glendale Family Health Center
         ▪ Leases for the Metro, East Valley, Highland, and San Tan Whole Health Home Clinics
         ▪ Lease for the Pendergast Family Health Center

d. Medical Staff:
   i. Approve Maricopa Integrated Health System Medical Staff Appointments, FPPEs, Reappointments, Change of Privileges/Status, Waiver Requests, and Resignations for June 2018
   ii. Approve Maricopa Integrated Health System Allied Health Professional Staff Appointments, FPPEs, Reappointments, Change of Privileges/Status, Waiver Requests, and Resignations for June 2018
   iii. Approve Proposed Revisions to the Department of Family and Community Medicine’s Nurse Practitioner Walk-in Clinic Privileges
   iv. Approve New Privileges to the Department of Psychiatry’s Licensed Certified Counselor/Therapist Privileges
   v. Approve Proposed Revisions to the Department of Family and Community Medicine’s Walk-in Clinic Privileges
   vi. Approve Proposed Revisions to the Department of Surgery’s General Surgery Privileges
   vii. Approve Proposed Revisions to the Global Procedural Sedation Privileges
   viii. Approve Proposed Revisions to the Medical Staff Bylaws
   ix. Approve Proposed Revisions to the Medical Staff Organization Manual
   x. Approve Proposed Revisions to the Quality Data Policy
   xi. Approve Proposed Revisions to the Allied Health Professional Policy – Appendix A
   xii. Approve Proposed Revisions to Policy 39026 T: Clinical Services/Medical Affairs: Operational Credentialing Policy and Procedure

e. Care Reimagined Capital:
   i. Approve contract 480-90-18-006 for Engineering Services with AEI Affiliated Engineers (AEI) for the Phase One (1) Roosevelt Campus Site Development Design Project. Phase One (1) Roosevelt Campus Site Development Design Project cost for Schematic Design is $500,000.
1. Approval of Consent Agenda, cont.:
   
e. Care Reimagined Capital, cont.:
   
   ii. Approve contract 480-90-18-001-RFQ for Design Professional & Engineering Services with the DLR Group (DLR) for Phase Three (3) for the Design Development and Construction Documents for the Maryvale Hospital Remodel. The cost for Phase Three (3) is $600,000.
   
   iii. Approve contract 480-90-18-007 Design Professional and Engineering Services with the DWL Architects + Planners, Inc. (DWL) for the North Phoenix (19th Avenue and Northern) and South Phoenix (35th Avenue and Southern) Ambulatory Care Centers. The costs for Phase One (1) is $400,000.
   
   iv. Approve contract 480-90-17-003 for Okland Construction the Construction Manager at Risk (CMAR) for Guaranteed Maximum Price (GMP) Two (2) for Core and Shell Package for the West Valley Primary and Specialty Care Center. The GMP 2 cost is $18,963,793.
   
   v. Approve a new contract between Maricopa Integrated Health System and SHI International for Imprivata Identity Governance Software and Support for a total 1-year cost of $576,880 Utilizing Care Reimagined (Prop 480) Funds.

MOTION: Director Dewane moved to approve the consent agenda. Director Wilcox seconded. Motion passed by voice vote.

2. Det Norske Veritas (DNV-GL), Quality Management Review Requirements

Ms. Garcia stated the accrediting agency, Det Norske Veritas (DNV), required a Quality Management Review, QM7, to be reviewed at least twice a year. These reviewed were completed in the various Maricopa Integrated Health System (MIHS) quality committees. She explained that QM7 was a measurement, monitoring and analysis review that focused on a number of different threats to patient safety. The MIHS Patient Safety Committee met bi-monthly and established workgroups to focus on serious reportable events, such as falls with injury, patient identification, restraints and a variety of other areas that arise from a patient safety perspective.

MIHS launched a reporting system to streamline the reporting processed called CHEQ-IT (Continuous Healthcare Evaluation and Quality Improvement Tool), which was formatted to match the Agency for Healthcare Research and Quality (AHRQ) and was monitored daily. She noted the Culture of Safety was conducted in April 2018 and the results would be reviewed with leadership in July 2018. Staff also monitored adverse events and near misses, and completed Failure Mode Evaluation Analysis (FEMA) as a preventative measure to review events before they became serious events.

Another area of focus was anesthesia/moderate sedation adverse events. There were workgroups to improve sedation documentation in the patients’ electronic health record (EHR). There were monthly sedation audits, and moderate sedation elements were reviewed to ensure all regulations were met. She noted that there had been no anesthesia adverse events that needed to be presented for the past three quarters. Staff reviewed blood and blood component adverse events/usage, and discrepant pathology reports at the MIHS Tissue and Transfusion, and Critical Care Committees, which also monitored the blood product wastage.

Ms. Garcia stated that the MIHS Clinical Care Service Committee monitored the effectiveness of the pain management system and the pain reassessment quality metric continued to meet the established benchmark.
General Session, Presentation, Discussion and Action, cont.:


The MIHS Infection Control Committee would begin to meet monthly to monitor the infection prevention and control systems. Several areas were included, such as *c. difficile*, MRSA bacteremia, surgical site infection colon, and sepsis. Ms. Garcia noted the utilization management system was monitored by the MIHS Utilization Review Committee, as well as the Clinical Care Service Committee. All benchmarks were met for the third quarter.

Customer satisfaction was an area of focus, for both clinical and support areas and patient experience surveys were monitored on a continuous basis. The MIHS Case Event Evaluation Team (CEET) monitored the unanticipated deaths on a weekly basis, which had physician participation to review those cases and all deaths were reviewed through the peer review process.

Director Wilcox asked how many of the focus areas had been through the 100-day workout process.

Ms. Garcia stated that there were several infection control components addressed with the latest 100-day workout.

Ms. Stotler noted that the each 100-day workouts focused on a particular area within MIHS, and many of the QM7 requirements were addressed by different teams throughout each process.

3. Quarterly Update on the Behavioral Health

Mr. Cavallo provided an update on the various behavioral health initiatives, including the Assertive Community Treatment (ACT) program, which provided intensive care for clients with Serious Mental Illness (SMI) and had been operating for nearly two years. There were currently 86 clients, with the maximum capacity of 100 clients. He noted the ACT Clinical Coordinator was to receive training and certification in Eye Movement Desensitization and Reprocessing (EMDR), a treatment approach for working with individuals who have experienced severe trauma. There was continuous work toward improving the partnership and integration of care at the Mesa Family Health Center and many ACT clients were encouraged to utilize that clinic for their primary care.

The ACT program continued to receive positive scores on various audits, including an overall score of 4.5 out of 5.0 on an audit conducted by Mercy Maricopa Integrated Care (MMIC), the Regional Behavioral Health Authority (RBHA) for Maricopa County, and the special assistance audit consistently yielding scores of 90% or greater. Several clients had transitioned out of the program and required a less-aggressive treatment plan. Notable successes included being a client that gained employment after many years of being unable to maintain employment, decreased hospitalization, and the navigation of over twenty clients to no longer need court-ordered treatment. He reiterated the primary goals of the ACT program was to increase employment, decrease hospitalization, decrease homelessness, and to keep individuals out of the correctional system.

Director Wilcox asked how long the clients were monitored once they transition from the ACT program.

Mr. Cavallo stated that once the client transitions from the ACT team, the RBHA was responsible for tracking.

He provided an update on the First Episode Center, which had relocated to Avondale Family Health Center in February 2018, which would enable the program to increase the capacity to 100 clients. There were currently 63 clients, with 48 males and 15 females and the clients reside in various areas of the Maricopa County and travel to Avondale to receive services, due to the unique and specialized care. The program was able to identify and address individuals that experienced their first psychotic break and avoided many re-hospitalizations. The staff was trained on Common Ground, an approach to recovery and shared decision-making.
General Session, Presentation, Discussion and Action, cont.:

3. Quarterly Update on the Behavioral Health, cont.

Director Bicknell referred to the ability to increased capacity at Avondale, and asked if that was due to the larger space or if there were additional staff members.

Mr. Cavallo stated the move to Avondale nearly doubled the space available, and there was additional staff hired, including a nurse and a Master's Level Counselor.

The adolescent unit at Desert Vista Hospital continued to meet a growing need in the community and had strengthened the psychiatry training program, with the addition of two additional Fellows. The average census for the fiscal year was 10.8 or 76% occupancy, with most referrals coming from local hospital emergency departments. There were plans to expand the adolescent services with the increase capacity of behavioral health beds at the Maryvale Hospital location.

The Medical/Behavioral Unit 11, located on the third floor of Maricopa Medical Center, treated adults with both medical and behavioral health conditions, and had been operational for nearly a year. The occupancy rates started strong and continued to improve, with near 90% occupancy.

Mr. Cavallo outlined the collaboration with Jewish Family and Children Services for a program designed to increase access to primary care and behavioral health services. It was focused on the Maryvale community in the West Valley. He noted that progress had been made with addressing the billing challenges related to outpatient behavioral health services.

He expressed his appreciation to the Board for deciding to purchase the Maryvale Hospital. This would increase the behavioral health capacity by 192 beds, which would greatly enhance the ability to meet the growing need for inpatient court ordered mental health evaluations and have the opportunity to offer voluntary inpatient services. There were discussions surrounding the possibility to placing a courtroom at this location, however, that was in the preliminary stages.

He provided an update on other behavioral health projects, including the Justice Targeted Investment Program (TIP), which was an integrated model to provide physical and behavioral health care to individuals recently released from the state’s prisons. The program would be implemented at the Mesa, Seventh Avenue, and Avondale Family Health Centers. There were challenges in the planning and construction of the SMI clinic at Mesa Family Health Center, which would delay services until October or November 2018. He highlighted the progress made with regard to the behavioral health outpatient claims, which was nearing a resolution and the past claims should be paid.

Director Wilcox commended Mr. Cavallo on the work done to treat those in need. She questioned what the process was to include a courtroom at the Maryvale Hospital location.

Mr. Cavallo stated that were a variety of other stakeholders involved in the process, including the Maricopa County Attorney and the Defender’s Office, which all would have to agree to support that decision.

Ms. Gaw noted the addition of a courtroom was not included in the original plan for the Maryvale Hospital location, so there were no Care Reimagined funds allocated for that. There also had to be a commitment from the court that the courtroom would be utilized. The courtroom at the Annex had been operational for nearly a year and did not always have a full docket. There were many factors to consider.

4. Discuss, Review and Approve the Special Health Care District’s Fiscal Year 2019 Operating and Capital Budget; Vote to Adopt Tax Levies for Fiscal Year 2019 and Approve Corresponding Resolutions; Direct Staff to Notify Maricopa County Board of Supervisors and Appropriate Governmental Entities

Director Dewane referred to the tax levy amount included in the proposed budget and noted that it assumed the full property tax levy amount of $76.9 million, as well as $42.1 million in bond levy support.
4. Discuss, Review and Approve the Special Health Care District’s Fiscal Year 2019 Operating and Capital Budget; Vote to Adopt Tax Levies for Fiscal Year 2019 and Approve Corresponding Resolutions; Direct Staff to Notify Maricopa County Board of Supervisors and Appropriate Governmental Entities, cont.

Chairman Gerard noted that while the total amount of the property tax had increased, the tax rate was lower than prior year.

Mr. Mutarelli referred to the planning and budget calendar and noted that the proposed budget was the culmination of a four-month process. The Board had reviewed and provided direction for volume assumptions, the capital budget, full-time employee (FTE) amounts, and revenue and expenses. While there was no dedicated budget workshop, the Board members had the opportunity to review the budget in detail with staff members.

He noted that there were revisions to the budget since it was last presented to the Board in May. Those changes included the addition of a vacancy adjustment of 5%, the increased Arizona State Retirement System (ASRS) rate, and the decrease in the Arizona Health Care Cost Containment System (AHCCCS) provider assessment. He also noted that the Maricopa Health Centers Governing Council had reviewed and approved their budget, which was incorporated to the proposed budget.

Mr. Mutarelli referred to the total operating revenue and stated the budget included a 3% increase due to the realistic patient volume assumptions, coupled with payment increases from governmental and third party payers. Other revenue included the Graduate Medical Education, 340B Program, trauma subsidy, and Disproportionate Share Hospital funding. The total operating revenue was budgeted for approximately $498 million.

The overall expenses were projected to also increase by 3%, with major items being labor related costs, such as salaries, contract labor and employee benefits. He noted that while the budget included the same number of FTEs, staff was working hard to improve the productivity rate to 4.70 FTE per adjusted occupied bed (FTE/AOB). The budget also factored in a merit increases of up to 3% to be issued mid fiscal year, while the employee benefit cost would remain the same. The total operating expenses was budgeted for approximately $565 million, which resulted in an operating margin of negative $66 million and that was a primary reason to receive the operating tax support, to address that deficit. The fiscal year 2019 budgeted total margin was $8.4 million, which was an improvement of the prior year’s break-even budget.

He stated that staff was confident the proposed budget would allow MIHS to achieve the operational objectives, as well as some strategic initiatives. He noted that the Maryvale Hospital location was not included in the proposed budget, but staff would review an updated proforma at the end of calendar year 2018. There was also a capital budget of $15 million with a $5 million contingency included in the budget.

Chairman Gerard asked if the capital budget was related to Care Reimagined funds.

Mr. Mutarelli stated the capital budget was developed using operational funds and would not utilize the Care Reimagined funds. He reviewed the projected cash flow from operations and noted that MIHS would generate approximately $85 million in cash, which would be used to satisfy the debt to Maricopa County, as well as some bond repayments.

Director Dewane stated that MIHS provided care for all of Maricopa County, including many that did not have the resources to pay their bill. Over the past several years, staff had been diligent to reduce expenses while maintaining quality care, resulting in the financial turnaround of the organization. He commended staff for all of their efforts.

Director Wilcox echoed the comments and expressed her appreciation that the proposed budget included merit increases for the employees. She thanked senior administration for stabilizing the organization and providing a solid foundation for Care Reimagined. She thanked all the staff involved in developing the proposed budget.
General Session, Presentation, Discussion and Action, cont.:

4. Discuss, Review and Approve the Special Health Care District’s Fiscal Year 2019 Operating and Capital Budget; Vote to Adopt Tax Levies for Fiscal Year 2019 and Approve Corresponding Resolutions; Direct Staff to Notify Maricopa County Board of Supervisors and Appropriate Governmental Entities, cont.

Mr. Mutarelli thanked the executive team and the budget team for their hard work.

MOTION: Director Dewane moved to approve fiscal year 2019 Special Health Care District budget with a net income of $8,391,694. Director Wilcox seconded. Motion passed by voice vote.

MOTION: Director Dewane moved to adopt a tax levy in the amount of $119,074,910 and approve corresponding resolution. Director Bicknell seconded. Motion passed by voice vote.

MOTION: Director Dewane moved to direct staff to notify Maricopa County Board of Supervisors and appropriate governmental entities. Director Wilcox seconded. Motion passed by voice vote.

5. Discuss and Review May 2018 Maricopa Integrated Health System Key Indicator Dashboards, Financial Reports

Mr. Mutarelli reviewed the operational dashboard for the month of May and noted total admissions exceeded budget by 6.9%, and were 2% over budget on a year-to-date basis. Outpatient visits were below budget by 9.3%, and were 8.1% below budget on a year-to-date basis. He referred to the unusual item report, which had two negative items and one positive, for a net of $2.1 million. He highlighted the income statement year-to-date and noted the operating income was performing better to budget by 22.6% and a net income of $15 million compared to break-even budget. While staff was pleased with the results, there was one more month in the fiscal year, year-end adjustments and inventory adjustments still needed to occur. He referred to the financial highlights included in the packet, which provided a high-level review of the financial information.

6. Discussion and Possible Action on a Cooperative Service Agreement between the Maricopa County Special Health Care District and the Maricopa Health Foundation

Mr. Purves stated that over the past several months, staff had been collaboratively working with the Maricopa Health Foundation (Foundation) to create the Cooperative Services Agreement (Agreement). The Agreement would assist the Foundation to be in a position to maximize its fundraising and philanthropic efforts to benefit the mission at MIHS. The Agreement would yield a return on the investment and MIHS would also invest in internal resources to coordinate activities with the Foundation.

Director Wilcox expressed her appreciation to those involved in developing the Agreement and was optimistic that it would allow the organizations to move forward together. She was pleased that the Agreement included checks and balances, and benchmarks to measure performance and highlight improvements.
General Session, Presentation, Discussion and Action, cont.:

6. Discussion and Possible Action on a Cooperative Service Agreement between the Maricopa County Special Health Care District and the Maricopa Health Foundation, cont.

MOTION: Director Wilcox moved to approve the Cooperative Service Agreement between the Maricopa Health Foundation and the Maricopa County Special Health Care District regarding support by the Foundation to the District, and governance of the Foundation. The District Board of Directors authorizes the Board Chairman to sign and deliver the Agreement to the Maricopa Integrated Health System President and Chief Executive Officer, who must hold the Agreement for delivery to the Foundation following the receipt of the certified Foundation Bylaws, amended to reflect changes required by the District. Director Bicknell seconded.

Mr. Purves clarified the Agreement would be funded by the cash reserves from the sale of the health plans.

Chairman Gerard thanked all for their work in the development of the Agreement.

VOTE: Motion passed by voice vote.

7. Reports to the Board of Directors; Possible Action:
   a. Monthly Media Report
   b. Monthly Care Reimagined Capital Purchases
   c. Fiscal Year 2019 Patient Safety Hazard Risk Assessment
   d. Fiscal Year 2019 Nursing Staffing Plan

Ms. Stotler referred to the Fiscal Year 2019 Patient Safety Hazard Risk Assessment, agenda item 7.c., and noted that the assessment was conducted annually, and more frequently as needed.

Director Wilcox noted the report focused on preventative measures and staffing being proactive to address those.

Ms. Stotler referred to the Fiscal Year 2019 Nursing Staffing Plan, agenda item 7.d., and noted that staffing was based on the acuity of the patient and not through a matrix.

8. Concluding Items
   a. Old Business:

   April 25, 2018

   Maricopa Health Centers Governing Council Report
   • Director Wilcox will work with the Chair and the CEO of the Council to assist in recruiting Governing Council members from District 5

   Care Reimagined Capital
   • How many jobs are we generating with Care Reimagined Projects
8. Concluding Items, cont.
   a. Old Business, cont.:

   **May 23, 2018**

   **Fiscal year 2019 District Budget**
   - Staff will provide the Board with the tax rate/amount comparison history in June

   **Financial Reports**
   - Provide a one-page summary/outline of the financials

   b. Board Member Requests for Future Agenda Items or Reports

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

Chairman Gerard reviewed the old business and referred to the item regarding recruitment for the Maricopa Health Centers Governing Council (Council). She noted that there were vacancies on the Council and encouraged all members of the Board and staff to recruit members for the Council, as they perform a valuable service to the District and community.

Director Wilcox referred to work being done with Care Reimagined and expressed her satisfaction with the pace and the progress made with the various projects throughout the Valley.

Mr. Purves thanked the Board for their support and guidance provided throughout the budgeting process. He thanked Mr. Mutarelli and the finance department for their hard work in the development. He stated that as temperatures rose, so did the risks of burns and fires. He shared a news clip that warned people of the scalding temperatures in water hoses, which could cause severe burns. He also played the latest edition of The Pulse, which was an internal video segment that provided updates on Care Reimagined, an update on the construction on the West Valley Primary and Specialty Care Center in Peoria. He stated that MIHS also appeared on various media outlets, discussing suicide prevention and mental health issues. He expressed his appreciation to all the physicians for being that resource for the community.

Director Bicknell commended Mr. Purves and senior administration for the financial turnaround of the organization. He recalled the financial position the organization was in just a few years ago and expressed his appreciation for the hard work completed.

Mr. Purves appreciated the comments but stated that every employee in the organization played a part in the turnaround. He acknowledged Dr. Lopez, as an example of the partnership and collaboration with the medical staff.

Director Dewane recalled a conversation he had with a young patient being treated in the Arizona Burn Center. The patient stated that her care was amazing and that when she grew up, she wanted to work at MIHS, since she was so happy with the care provided by the physicians and nurses.
Adjourn

**MOTION:** Director Wilcox moved to adjourn the June 27, 2018 Special Health Care District Board of Directors Formal Meeting. Director Dewane seconded. **Motion passed by voice vote.**

Meeting adjourned at 2:54 p.m.

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Susan Gerard, Chairman
Special Health Care District
Board of Directors