

<b>Minutes</b>
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<b>Maricopa County Special Health Care District Board of Directors Meeting Maricopa Medical Center Auditoriums 1 and 2 March 25, 2009 1:00 p.m.</b>
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**Present:** William Bruno, Chair, District 1  
Greg Patterson, Director, District 2  
Elbert Bicknell, Director, District 4  
Alice Lara, Director, District 5

**Absent/Excused:** Susan Gerard, Vice Chair, District 3

**Others Present:** Betsey Bayless, MIHS, Chief Executive Officer  
Ken Meinke, MIHS, Chief Financial Officer  
Warren Whitney, MIHS, Chief External Affairs Officer  
Sherry Stotler, MIHS, Chief Nursing Officer  
Stephan Stapczynski, M.D., F.A.C.E.P., MIHS, Chief of Staff  
Louis B. Gorman, District Counsel  
David J. Cantelme, Board Counsel

**Guest Presenters:** Siobhan Mee, MIHS, Director Revenue Management  
Marshall Jones, MIHS, Vice President Administrative Services  
John MacDonald, Husk Partners

**Recorded by:** Melanie Talbot, Clerk of the Board

**Call to Order**

Chairman Bruno called the meeting to order at 1:06 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 represents a quorum. Chairman Bruno noted that Vice Chairman Gerard was attending the National Association of Community Health Centers (NACHC) conference in Washington, D.C. on behalf of the District.

**Pledge of Allegiance**

The Pledge of Allegiance to the flag was lead by Mr. Cantelme.

**Special Health Care District Board of Directors  
Meeting Minutes – General Session – March 25, 2009**

**Call to the Public**

Ms. Talbot read aloud the guidelines which have been determined as acceptable by the Board of Directors. Chairman Bruno called for public comment. There were no comments from the public.

**General Session Presentation, Discussion and Action:**

1. Opening Comments and Remarks from Chief Executive Officer

Ms. Bayless announced that for the second month in a row, there were no patient account write offs.

She advised the Board that on March 17, 2009, a Joint Commission surveyor arrived to conduct an unannounced complaint survey. The focus of the one-day survey was behavioral health services, including the Desert Vista facility and the Psychiatry Annex. The survey included patients referred to MIHS from the Urgent Psychiatric Care Center (UPC) in downtown Phoenix, which is operated by Magellan Health Services, the Regional Behavioral Health Authority in Maricopa County.

During an exit interview with MIHS staff, the surveyor complimented MIHS's well organized program and singled out Dr. Carol Olson, Chair of Psychiatry, for praise as a dedicated and conscientious practitioner.

On March 23, 2009, the formal results of the survey were received, indicating that there are no requirements for improvement (RFI).

On February 10, 2009, the Joint Commission accepted the Plan of Correction for Standard Medication Management. There is no follow-up information due to the Joint Commission as a result of the accreditation activity conducted in December 2008.

Teams have been developed to ensure compliance with the 2009 standards.

2. Reports to the Board of Directors:

- a. Quality Report – Whole Systems Measures Dashboard
- b. Auditor General's Report - Performance of the Maricopa County Special Health Care District

The Auditor General released its report on the Special Health Care District on March 12, 2009. Ms. Bayless was pleased with the results.

Chairman Bruno asked if the Board should take action on the Auditor's report or if they should address the two recommendations stemming from the report.

Mr. Whitney said that typically the governing body of the entity being audited is not expected to take action. However, if the Board wanted to take action to formally accept the audit and affirm the response to the report submitted by Ms. Bayless, the Board could do that at a future meeting.

Mr. Cantelme concurred with Mr. Whitney.

Chairman Bruno suggested that senior administration bring the plan to address the audit recommendations to the Board for a discussion once it is completed.

Ms. Bayless agreed. Senior administration is developing a report on the benefits of a closed medical staff versus the benefits of an open medical staff, as well as analyzing the sole source nature of the contract as recommended by the Auditor's report. The report will be shared with the Board.

Over 638 hours of MIHS staff time was invested in the audit. This equates to nearly \$50,000 in costs to the District to meet repeatedly with the auditors, provide them with information, review their work, and to prepare the response to the report.

**Special Health Care District Board of Directors  
Meeting Minutes – General Session – March 25, 2009**

**General Session Presentation, Discussion and Action (cont.):**

3. Approval of Consent Agenda
  - a. Minutes:

Review and Approve Special Health Care District Board of Directors Meeting Minutes dated:

    - i. February 25, 2009
  - b. Contracts:
    - i. Approve Amended and Restated Lease Agreement (Clinic and Urgent Care Services Space) between VHS of South Phoenix, Inc and the Maricopa County Special Health Care District.
  - c. Board Governance:
    - i. Approve Appointment of Josette Ulibari to the vacant user community member vacancy on the Family Health Center Advisory Council for the October 1, 2008 - September 30, 2010 term.
    - ii. Approve registration fee, travel, lodging, and meal expense, not to exceed rates allowable under applicable District practices or policies, for Chairman Bruno to attend the 13th Annual Western Regional Trustee Symposium, *Managing the Winds of Change*, June 10-12, 2009 in Albuquerque, NM.
  - d. Medical Staff:
    - i. INTENTIONALLY LEFT BLANK

Chairman Bruno said that item 3.b.i would be pulled off of the consent agenda. It would not be voted on by the Board today.

**MOTION:** Director Bicknell moved to approve the consent agenda minus item 3.b.i. Director Patterson seconded.

**VOTE:** 4 ayes: Chairman Bruno, Director Patterson, Director Bicknell, and Director Lara  
1 absent: Vice Chairman Gerard. **Motion Passed**

4. Accept Donation from MariSol Federal Credit Union for the Pediatric Fund, Maricopa Health Foundation

Mary Harden, an MIHS nurse and MariSol Federal Credit Union board member, introduced Robin Romano, CEO of the credit union.

Ms. Roman presented a check for \$2,000 to the Pediatric Fund of the Maricopa Health Foundation. During the past five years, MariSol has donated \$11,600 to the Pediatric Fund. Accepting the donation was Dr. Kipp Charlton, a long-time MIHS pediatrician, and Chairman Bruno.

**Special Health Care District Board of Directors  
Meeting Minutes – General Session – March 25, 2009**

**General Session Presentation, Discussion and Action (cont.):**

4. Accept Donation from MariSol Federal Credit Union for the Pediatric Fund, Maricopa Health Foundation (cont.)

Ms. Bayless said that these donations have made a difference in the lives of hundreds of children who have passed through the doors of the Arizona Children's Center. These donations are particularly meaningful because MariSol is the credit union used by many MIHS employees.

**MOTION:** Director Bicknell moved to accept the donation from MariSol Federal Credit Union for the Pediatric Fund of the Maricopa Health Foundation. Director Lara seconded.

**VOTE:** 4 ayes: Chairman Bruno, Director Patterson, Director Bicknell, and Director Lara  
1 absent: Vice Chairman Gerard. **Motion Passed**

5. Approval of Maricopa Integrated Health System Medical Staff Appointments, Reappointments, FPPE, Change of Privileges/Status, and Resignations for March 2009

**MOTION:** Director Lara moved to approve the Maricopa Integrated Health System Medical Staff Appointments, Reappointments, FPPE, Change of Privileges/Status, and Resignations for March 2009. Director Bicknell seconded.

**VOTE:** 4 ayes: Chairman Bruno, Director Patterson, Director Bicknell, and Director Lara  
1 absent: Vice Chairman Gerard. **Motion Passed**

6. Approval of Maricopa Integrated Health System Allied Health Professional Staff Appointments, Reappointments, and FPPE, for March 2009

**MOTION:** Director Bicknell moved to approve the Maricopa Integrated Health System Allied Health Professional Staff Appointments, Reappointments, and FPPE, for March 2009. Director Lara seconded.

**VOTE:** 4 ayes: Chairman Bruno, Director Patterson, Director Bicknell, and Director Lara  
1 absent: Vice Chairman Gerard. **Motion Passed**

7. Discuss, Review and Approve the Maricopa Integrated Health System Rate Package for 2010 Fiscal Year

Ms. Mee explained that on an annual basis, MIHS reviews and adjusts the amounts it charges for services. All hospitals in Arizona are required to file rate changes. Changes can include increases or decreases, and additions or deletions to existing services. Changes are filed with the Arizona Department of Health Services and must be filed sixty days in advance.

MIHS engaged MedAssets to perform a complete rate modeling of all existing non-formula based charges. MIHS's charges were compared to what area hospitals are charging for similar services. The data was grouped into percentages; the low range was set at the 25th percentile, and the high range at the 100th percentile.

**Special Health Care District Board of Directors  
Meeting Minutes – General Session – March 25, 2009**

**General Session Presentation, Discussion and Action (cont.):**

7. Discuss, Review and Approve the Maricopa Integrated Health System Rate Package for 2010 Fiscal Year (cont.)

MIHS is at approximately the 65th percentile of market when compared to this year's rates. MIHS analyzed the rates by department to the marketplace. In the analysis, some rates were decreased and some rates were increased. The effect was an overall rate increase of 11.71% for a net impact of \$8,483,520.

MIHS does not get reimbursed the full amount it charges. Some payor sources pay a percentage of charges, while others pay flat reimbursement. MIHS charges all payor sources the same way.

Ms. Mee reviewed various types of services that MIHS provides, the charges associated with those services, and how MIHS compared in charges for services when compared to other local hospitals. The goal is to remain in the middle range.

**MOTION:** Chairman Bruno moved to approve the Maricopa Integrated Health System rate package system for the 2010 fiscal year. Director Bicknell seconded.

**VOTE:** 4 ayes: Chairman Bruno, Director Patterson, Director Bicknell, and Director Lara  
1 absent: Vice Chairman Gerard. **Motion Passed**

8. Discuss and Review February 2009 Financial Performance

Mr. Meinke said that patient volumes and adjusted patient days (ADP) continue to be below budget in all areas with an exception in behavioral health. Surgeries were better than budget for the month. Outpatient visits to the Comprehensive Health Center and the Family Health Centers were better than budget. Deliveries, emergency rooms visits, and visits to the Urgent Care Center were below budget.

The number of AHCCCS and self-paying patients seen at MIHS continues to grow. While the number of self-paying patients admitted to Maricopa Medical Center (MMC) is only 3.5%, the number of self-paying patients seen in the outpatient clinics is 25%.

Chairman Bruno commented that he had always been told that most emergency rooms lose money due to the high number of self-paying patients seen. He was under the assumption that most of MMC's admissions are through the emergency room.

Mr. Meinke confirmed that approximately 80% of admissions are through the emergency room.

Chairman Bruno questioned how the percentage of self-paying inpatients could be so low.

Mr. Meinke said that the percentages are based on charges. The percentage of the "AHCCCS pending" category or the "Pre-AHCCCS" category on the payor mix slides (as shown) represent the number of patients, when at the time of entering the emergency room, is unknown whether they are on AHCCCS or if they qualify for AHCCCS. This percentage will decrease over time. It can take several months to work through the process of documentation to see if a patient qualifies for AHCCCS. Approximately 50-60% of the "Pre-AHCCCS" patients ultimately become AHCCCS patients.

For example, in the month of February, 16% of the patients who were admitted to Maricopa Medical Center, primarily through the emergency room, fell to the "Pre-AHCCCS" category. Only 50-60% of those patients will ultimately qualify for AHCCCS and the remaining number of patients will become self pay.

Copa Care and bad debt write offs year-to-date are less than budget. The number of days in accounts receivables is at 53 for February 2009.

**Special Health Care District Board of Directors  
Meeting Minutes – General Session – March 25, 2009**

**General Session Presentation, Discussion and Action (cont.):**

8. Discuss and Review February 2009 Financial Performance (cont.)

Maricopa Health Plan membership continues to grow. This growth can be contributed to the change in the auto-assign algorithm, which was effective in October 2008, as well as the improvements made with member retention.

Chairman Bruno asked Mr. Meinke to comment about the state potentially losing federal stimulus funding for AHCCCS because of changes made last year, requiring individuals enrolled in AHCCCS to re-qualify every six months instead of annually. This requalification provision violated a stimulus program prohibition against tightened eligibility standards, methodologies or procedures for a state's Medicaid program. Arizona was notified that it was not in compliance with "maintenance of effort" requirements.

Mr. Meinke deferred to Mr. Whitney, who replied that MIHS's legislative staff was watching the issue closely.

Mr. Meinke said that on a consolidated basis, year-to-date MIHS's income is \$20.8 million compared to a budget of \$27.8 million. He does not anticipate recovering the \$7 million before the end of the fiscal year, June 30, 2009. The \$7 million year-to-date loss does not include a potential \$12 million in additional funding for IME (indirect medical education). Absent the IME funding, the District will not meet its budget for the 2009 fiscal year.

Improvements in the supply chain continue. While MIHS hasn't implemented a hiring freeze, each open position is carefully evaluated by senior administration prior to it being filled. Factors considered before filling the position include whether or not it is a direct patient care position.

Mr. Meinke noted that last month, MIHS booked a loss of \$2.5 million for Disproportionate Share Hospital funds (DSH) due to the actions of the state Legislature in January 2009. Since that time, DSH funding was restored. Therefore, the funding was added back in February.

9. Discuss and Review 2010 Fiscal Year Budget Process; Discuss Assumptions Including But Not Limited To Volumes, Reimbursements and Expenses

Mr. Meinke pointed out that the volume assumptions for the 2010 fiscal year do not include the anticipated impact due to the rapid growth of the Maricopa Health Plan.

If MIHS continues to operate as it currently does, acute admissions and patient days are not projected to significantly change in the next fiscal year. Behavioral health admissions and patient days will also remain relatively flat because the Desert Vista Behavioral Health Center is at capacity. In the near future, senior administration will bring forth a recommendation for a 35-bed capital expansion project for the Center.

Mr. Meinke is not expecting any increases in emergency room visits or emergency room admissions. He is anticipating a 15.5% increase in Urgent Care Center visits. While inpatient surgeries may increase slightly, outpatient surgeries are expected to decrease. Deliveries will remain unchanged.

Ambulatory visits at the Family Health Centers and the Dental Clinics will increase marginally, with Comprehensive Health Center visits remaining the same. This could change due to the growth in the Maricopa Health Plan membership.

Director Bicknell questioned Mr. Meinke as to why senior administration was expecting the increase in Urgent Care Center visits.

Mr. Meinke suggested that Mr. Whitney answer due to his involvement with the Urgent Care Center operations.

**Special Health Care District Board of Directors  
Meeting Minutes – General Session – March 25, 2009**

**General Session Presentation, Discussion and Action (cont.):**

9. Discuss and Review 2010 Fiscal Year Budget Process; Discuss Assumptions Including But Not Limited To Volumes, Reimbursements and Expenses (cont.)

Mr. Whitney said that the increase is expected because of the shift of resources from the underutilized afternoon hours, to the evening hours, where there is a higher demand and more patients can be treated.

Chairman Bruno voiced concern about the volume assumptions for the 2010 fiscal year. He feels senior administration needs to recognize that more should be done in order to meet strategic objectives. He stated that the projected number of deliveries for the next fiscal year of 3,600 is not acceptable.

Mr. Meinke made it clear that senior administration will not bring a budget to the Board for approval that is status quo; that status quo would not be an option. There are opportunities being considered, including those identified during the strategic planning process.

Chairman Bruno asked for the volume assumption recommendations to be finalized by next month in order for both the Board and senior administration to have an opportunity to discuss and agree with the figures early in the budgeting process.

Mr. Meinke reviewed revenue assumptions and said that although Medicare rates will increase by 3%, it will not cover the District's costs for those patients.

While AHCCCS rates are still undetermined, it is assumed there will be a 5% reduction in rates. Payments including DSH, Graduate Medical Education (GME), trauma subsidy, and psychiatric teaching subsidy will remain unchanged from current levels. The reimbursement rate for Federally Qualified Health Center (FQHC) visits will increase slightly.

Section 1011 funding was authorized as part of the *Medicare Modernization Act of 2003*. The program provides funds to pay for emergency health services provided to undocumented immigrants. The current program will end in March 2009, however payments are expected through November 2009, due to the lag in payments. Senior administration is projecting a \$2.7 million decrease in this funding, or a 50% decrease from current estimated payment levels for fiscal year 2009.

Chairman Bruno asked Mr. Meinke to double check on the amount of Section 1011 funding MIHS receives. He thought it was several million dollars more.

Arizona Department of Health Services is projecting a 30% reduction in funding for Arizona Primary Care, resulting in a \$700,000 reduction for MIHS. Reductions in Ryan White grant funding totaling almost \$840,000 are expected. That is due primarily to the loss of dental grant revenues.

Director Bicknell asked about the reductions in Ryan White grant funding.

Mr. Meinke could not speak to the specifics, however he will find out and report back to the Board.

Mr. Whitney said funds are from the federal government and go through a county appropriations process. He was not sure if the federal government had reduced Ryan White appropriations, or if the funds were reduced due to the county appropriations process.

Mr. Meinke said that if the Board exercises its authority to levy the property tax at the full amount allowed, it would result in \$53 million additional funds to MIHS. Tax rates have decreased every year since the tax was first levied. In 2005, for the 2006 fiscal year, the rate per \$100,000 in assessed property value was \$12.06. The rate per \$100,000 in assessed property value for the 2009 fiscal year was \$8.56.

Mr. Meinke reviewed salary and related assumptions including merit increases, market adjustments, and health insurance expenditures. Supply expenses are expected to increase by 3.3%.

**Special Health Care District Board of Directors  
Meeting Minutes – General Session – March 25, 2009**

**General Session Presentation, Discussion and Action (cont.):**

9. Discuss and Review 2010 Fiscal Year Budget Process; Discuss Assumptions Including But Not Limited To Volumes, Reimbursements and Expenses (cont.)

Chairman Bruno said that it would help him if funding reductions could be tied directly to the programs. For example, since MIHS is projecting a \$750,000 loss of Ryan White grant funding, will services offered be reduced? Or will service levels remain the same, with the \$750,000 loss absorbed elsewhere.

Mr. Meinke said that achieving 2010 fiscal year budget targets will require strategic growth, continued improvements in supply chain management, increased efficiencies in productivity, potential FTE reductions, and program reductions and/or eliminations.

Director Bicknell mentioned recent advertising efforts from other hospitals and asked if MIHS needed to ramp up its advertising efforts.

Mr. Meinke said that MIHS and MedPro are working together to focus on customer service to AHCCCS patients. Unfortunately, the District has an image problem and it is hard to attract Medicare patients and patients with commercial insurance.

Ms. Bayless added that MIHS needs to have more outreach activities. MIHS and MedPro are moving toward the goal of sharing a Business Development Officer. MIHS is also working on an ambassador program where the FHCs will reach out to the neighborhoods to bring in patients.

Chairman Bruno requested that a special Board retreat be scheduled so the Board and senior administration can further discuss assumptions for the next fiscal year.

10. Annual Review of Board Policy Statements; Discuss, Review and Approve Proposed Revisions to the Following Existing Board Policy Statements:
- a. Financial Assistance
  - b. Annual External Audit
  - c. Billing
  - d. Bonds
  - e. Collection Efforts
  - f. Construction – Surety Bonds
  - g. Discounts
  - h. Chief Executive Officer Evaluation

**MOTION:** Director Bicknell moved to approve the proposed revisions to the Board policy statements. Director Lara seconded.

**VOTE:** 4 ayes: Chairman Bruno, Director Patterson, Director Bicknell, and Director Lara  
1 absent: Vice Chairman Gerard. **Motion Passed**

**Break:** 2:21 p.m. - 2:33 p.m.

13. Legislative Session Issues Report and Possible Action

In Helena Whitney's absence, Mr. MacDonald presented the report. The 2010 fiscal year budget deficit for Arizona is projected to be almost \$3 billion. Governor Brewer presented a 5-point plan to the Legislature in a joint budget session on March 4, 2009. She reviewed her plan, which included improving Proposition 105, which is the Voter Protection Act.

**Special Health Care District Board of Directors  
Meeting Minutes – General Session – March 25, 2009**

**General Session Presentation, Discussion and Action (cont.):**

13. Legislative Session Issues Report and Possible Action (cont.)

That proposition essentially restricts the Legislature from making any changes to voter-approved initiatives, unless the change will further the original purpose of the initiative. The Governor would like to explore ways at the ballot box to temporarily suspend Proposition 105 to provide the Legislature and the Executive flexibility in the budget process.

Other points in her plan include structural budget reform; additional spending cuts, which would result in an accumulated \$1 billion reduction on the General Fund; and reform and modernization of the state's tax structure.

The Governor is also proposing a temporary tax increase to raise the state's revenues by \$1 billion per year. This tax increase would be for a minimum of two years and is one of the more controversial points in her plan.

When the budget fix bill was passed on January 31, 2009, the District lost \$4.2 million in Disproportionate Share Hospital funding and \$2.6 million in Graduate Medical Education funding. On March 12, 2009, the funding was restored. This victory was due to the tireless lobbying campaign that included meetings with key Legislators, as well as and other efforts.

The current fiscal year budget deficit continues to grow and is projected to be between \$450 million to \$500 million.

The Governor has not released a budget plan for the 2010 fiscal year. Neither the House nor the Senate has released an official budget plan. However the Chairmen of the Senate and House Appropriations Committees have released budget reduction options for the 2010 fiscal year.

Chairman Bruno asked about federal stimulus funding and if any funding was factored into the 2009 budget fix.

Mr. MacDonald said that Arizona has received \$500 million in federal stimulus funding and more funding will come to Arizona prior to June 30, 2009. Any federal stimulus funding received is under the control of the Governor. The \$500 million received was factored into the current fiscal year but there is still a deficit of \$450 - \$500 million.

Director Bicknell asked if any federal stimulus funding would be available to MIHS or other health care systems.

Mr. MacDonald said that funding for AHCCCS would be available, which in turn would support health care.

Chairmen of the Senate and House Appropriations Committees proposed budget reduction options for the 2010 fiscal year that may affect MIHS include capping the Community Health Center funding and AHCCCS lump sum reductions.

On March 13, 2009, MIHS submitted funding requests to Congressman Pastor's office totaling \$8.4 million for ARK, GME and medical equipment.

Vice Chairman Gerard and Ms. Whitney are in Washington D.C. conducting meetings to help further these efforts at the federal level to obtain funding for specific items.

Within the next month or so there will be a budget resolution from Congress to set forth budget numbers.

Chairman Bruno asked if changes to the Voter Protection Act had to be taken back to the voters for approval and if the Legislature could increase the tax without voter approval.

**General Session Presentation, Discussion and Action (cont.):**

13. Legislative Session Issues Report and Possible Action (cont.)

Mr. MacDonald confirmed that both of those statements were correct. He added that the Legislature would need a two-thirds majority vote to increase taxes, which is almost impossible for this year. Therefore, the Governor proposed a constitutional change that would essentially hold off the Voters Protection Act restrictions on the Legislature for a certain period of time, so the Legislature could temporarily make changes to voter approved initiatives to help close the budget gap. At the same time, the Governor is also proposing temporary tax increases.

Chairman Bruno asked if it was possible to still get an important, strategic initiative introduced.

Mr. MacDonald stated that while it's not too late to pursue, it would have to be done through a "strike everything" amendment, and the longer the District waits, the more difficult it will become.

11. Approve an amendment to Section V. Forms of Compensation, Direct Compensation, Incentives, of the Maricopa Integrated Health Compensation Plan

Mr. Jones said that the contract MedPro has with the District allows for potential incentive pay if goals are met. The recommended amendment to the District's Compensation Plan will allow the District to better align efforts to achieve these mutual goals by offering incentive pay to MIHS employees.

The incentive pay is temporary and measurable goals must be tied to the pay. The request for the incentive pay must be made by a Vice President. Then the design of the plan is reviewed by both Human Resources and Finance for consistency, financial implications, etc. Both Human Resources and Finance must approve the pay before the request will advance to the Chief Executive Officer for final approval.

Director Bicknell asked why the change was needed. Would this change solve a current problem?

Mr. Jones said that the incentive pay ties reward to achieving goals.

Chairman Bruno asked if this included retention bonuses.

Mr. Jones said that this particular amendment is not for retention bonuses.

Director Patterson asked for clarification that prior to the plan being approved, the plan must have all of the following: measurable goals; improved patient care and quality; improved employee performance; promote savings; and not exceed one year in duration.

Mr. Jones verified the plan must include all of those components.

**MOTION:** Director Patterson moved to approve the amendment to Section V. of the Maricopa Integrated Health System Compensation Plan. Chairman Bruno seconded.

**VOTE:** 4 ayes: Chairman Bruno, Director Patterson, Director Bicknell, and Director Lara  
1 absent: Vice Chairman Gerard. **Motion Passed**

**Special Health Care District Board of Directors  
Meeting Minutes – General Session – March 25, 2009**

**General Session Presentation, Discussion and Action (cont.):**

12. Ratify Appointment of Dr. Robert E. Fromm, Jr., M.D., M.P.H., M.S., as Maricopa Integrated Health System Chief Medical Officer

**MOTION:** Director Bicknell moved to ratify the appointment of Dr. Robert Fromm as Maricopa Integrated Health System Chief Medical Officer. Director Lara seconded.

**VOTE:** 4 ayes: Chairman Bruno, Director Patterson, Director Bicknell, and Director Lara  
1 absent: Vice Chairman Gerard. **Motion Passed**

14. Discussion and possible Board action regarding AHCCCS' lawsuit against the District and Board Members, a District Notice of Claim to the State and AHCCCS for FY 07/08 and FY 08/09, and/or Intergovernmental Agreement amendment with the State and/or AHCCCS regarding Disproportionate Share Hospital funding or non-Disproportionate Share Hospital funding or reimbursement for the District, federal or state legislation or action, including state or federal legislation and regulations regarding Disproportionate Share Hospital reimbursement or non-Disproportionate Share Hospital funding or reimbursement, federal oversight of Disproportionate Share Hospital program and reimbursement, State of Arizona compliance with federal regulations, and guidelines regarding Disproportionate Share Hospital funds and/or non-Disproportionate Share Hospital funding or reimbursement methodologies to benefit the District and District facilities

Ms. Bayless recapped the events leading up to the state's lawsuit against the District for not certifying public expenditures for the 2008 fiscal year on the required date. The case was settled with the District retaining the right to file a notice of claim for the amount it believed it was owed for the 2008 fiscal year Disproportionate Share Hospital funds.

The District, the State of Arizona, and AHCCCS entered into an Intergovernmental Agreement (IGA) in November 2008 in an effort to work cooperatively to increase funding for health care services in the state and thus offer better health services to the public.

Since then, Ms. Bayless met with Governor Brewer to discuss MIHS and its role and importance to the community.

Senior administration recommended the Board adopt a resolution, where the District would dismiss the administration appeal, request Governor Brewer use her authority to continue to seek additional federal funding for MIHS, and to preserve DSH payments to Maricopa Medical Center and other eligible Arizona hospitals.

The Board and senior administration discussed the wording of the proposed resolution.

**MOTION:** Director Patterson move to adopt Resolution No. 2009-3-25-001. Director Bicknell seconded.

**VOTE:** 4 ayes: Chairman Bruno, Director Patterson, Director Bicknell, and Director Lara  
1 absent: Vice Chairman Gerard. **Motion Passed**

**General Session Presentation, Discussion and Action (cont.):**

14. Discussion and possible Board action regarding AHCCCS' lawsuit against the District and Board Members, a District Notice of Claim to the State and AHCCCS for FY 07/08 and FY 08/09, and/or Intergovernmental Agreement amendment with the State and/or AHCCCS regarding Disproportionate Share Hospital funding or non-Disproportionate Share Hospital funding or reimbursement for the District, federal or state legislation or action, including state or federal legislation and regulations regarding Disproportionate Share Hospital reimbursement or non-Disproportionate Share Hospital funding or reimbursement, federal oversight of Disproportionate Share Hospital program and reimbursement, State of Arizona compliance with federal regulations, and guidelines regarding Disproportionate Share Hospital funds and/or non-Disproportionate Share Hospital funding or reimbursement methodologies to benefit the District and District facilities (cont.)

**RESOLUTION SEEKING SUPPORT FROM GOVERNOR BREWER TO PROTECT MARICOPA MEDICAL CENTER**

**WHEREAS**, Maricopa Integrated Health System provides quality health care to all patients, regardless of their ability to pay; and

**WHEREAS**, Maricopa Integrated Health System is the state's premier safety net health care provider and is licensed for 489 medical/surgical beds and 190 psychiatric beds, with more than 21,000 admissions annually; and

**WHEREAS**, Maricopa Medical Center is the state's only public hospital with more than 54,000 patients treated annually in the facility's Emergency Department and Level 1 Trauma Center; and

**WHEREAS**, more residents than ever are turning to Maricopa Integrated Health System for health care as the economic crisis continues; and

**WHEREAS**, the System relies on numerous federal funding sources, including Disproportionate Share Hospital funding, Graduate Medical Education and Medicaid funds; and

**WHEREAS**, these critical federal funds compensate MIHS for higher costs incurred in treating a large share of indigent and low-income patients, who tend to be sicker and therefore more costly to treat; and

**WHEREAS**, it is crucial to preserve these federal programs for Maricopa Medical Center and other eligible Arizona hospitals; and

**WHEREAS**, Governor Brewer and her staff recognize this need and have vowed to work with, identify and draw down the maximum amount of all federal funds available to ensure Maricopa Medical Center continues its mission of quality health care for all; and

**WHEREAS**, Governor Brewer also has directed the Arizona Health Care Cost Containment System to work cooperatively with Maricopa Medical Center to seek additional federal funding to continue its vital mission;

**NOW, THEREFORE, BE IT RESOLVED** that the Maricopa County Special Health Care District, through its Board of Directors moves to dismiss the Administrative Appeal (OAH Docket # 09F-80621-AHC) concerning FY 2007-2008 Disproportionate Share Hospital funding and respectfully requests the Honorable Janice Brewer, Governor of the State of Arizona, to use the power of that office to: 1. Continue working to seek additional federal funding for Maricopa Medical Center for care of those individuals who qualify for any state or federal health care program as well as those individuals who are uninsured or underinsured, and 2. Preserve DSH payments to Maricopa Medical Center and other eligible Arizona hospitals.

**Special Health Care District Board of Directors  
Meeting Minutes – General Session – March 25, 2009**

**General Session Presentation, Discussion and Action (cont.):**

15. Concluding Items
  - a. Future Agenda Item/Report Calendar
    - i. **April**
      - a. **Quarterly Reports:**  
Capital Expenditures for 3<sup>rd</sup> Quarter FY 2009  
Contract Approvals and Asset Disposal for 3<sup>rd</sup> Quarter FY 2009  
Family Health Center Advisory Council
      - b. **Other:**  
Presentation: Quality – Whole Systems Measures Dashboard  
Graduate Medical Education Report  
Employee Medical and Dental Benefits Package  
District Wide Risk Management Program
  - b. Board Member Requests for Future Agenda Items or Reports
  - c. Comments
    - i. Chairman and Member Closing Comment
    - ii. Chief Executive Officer Summary of Current Events

Ms. Bayless reviewed community events from March, including a Mawlid-Un-Nobi conference, where Chairman Bruno spoke, on March 14, 2009. The annual conference focused on a number of topics of interest to the Pakistani community. Chairman Bruno was joined by Dr. Sajwani, a family medicine specialist from the Chandler Family Health Center.

Other groups Chairman Bruno addressed in March were the Central Republican Women's Club and the Chandler Republican Women's Group.

Chairman Bruno and Ms. Bayless attended the Years of Service celebration, honoring employees who have worked for MIHS at least 5 years. Years of service ranged anywhere 5 years to 36 years. These employees were not only recognized for their years of services but also for their outstanding work and dedication to MIHS. Ms. Bayless presented the Phyllis K. Chilcoat Outstanding Community Service award to Central Information Desk employee, David Peretz.

On March 4, 2009, MIHS hosted a news conference with firefighters across the valley to raise awareness of the need for smoke detectors. This followed the tragic death of a Mesa man and his 1-year old daughter in a house fire.

**Adjourn**

**MOTION:** Director Lara moved to adjourn the March 25, 2009 Special Health Care District Board of Directors formal meeting. Chairman Bruno seconded.

**VOTE:** 4 ayes: Chairman Bruno, Director Patterson, Director Bicknell, and Director Lara  
1 absent: Vice Chairman Gerard. **Motion Passed**

***Special Health Care District Board of Directors  
Meeting Minutes – General Session – March 25, 2009***

Meeting adjourned at 3:47 p.m.

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William Bruno, Chair  
Special Health Care District  
Board of Directors