Minutes

Maricopa County Special Health Care District
Board of Directors Meeting
Maricopa Medical Center
Auditoriums 1 and 2
March 22, 2017
1:00 p.m.

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
Mary Rose Wilcox, Director, District 5

Others Present:
Steve Purves, MIHS, President & Chief Executive Officer
Kris Gaw, MIHS, Chief Operating Officer
Kathy Benaquista, MIHS, Chief Financial Officer
John Hitt, M.D., MIHS, Chief Medical Officer
Sherry Stotler, R.N., M.S.N., MIHS, Chief Nursing Officer
Erik Katz, M.D., MIHS, Chief of Staff
Louis B. Gorman, MIHS, District Counsel

Guest Presenters:
Michael Fronske, MIHS, Legislative and Governmental Affairs Director
Gene Cavallo, MIHS, Vice President Behavioral Health Services

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 1:06 p.m.

Roll Call

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

Pledge of Allegiance

Vice Chairman Harden led the Pledge of Allegiance.

Call to the Public

Chairman Gerard called for public comment.

Mr. Purves introduced Ms. Lisa Verschueren, a Maricopa Integrated Health System (MIHS) employee and the recipient of MIHS’s Quarterly Excellence Award for her heroic actions last summer, which resulted in saving the life of a young boy.
Special Health Care District Board of Directors
Meeting Minutes – General Session – March 22, 2017

Call to the Public, cont.

Mr. Purves also recognized Home Assist Health, its Chief Executive Officer Sara Wilson, and the staff for being the recipients of three prestigious honors from the nationwide Home Care Pulse Organization; which were the Best Home Care Award, Leader in Excellence Award, and Provider of Choice and Employer of Choice.

Mission Statement

Ms. Talbot read the Mission Statement aloud.

General Session, Presentation, Discussion and Action:

1. Approval of Consent Agenda:
   a. Minutes:
      i. February 22, 2017
   b. Contracts:
      i. Approve a new contract (90-17-078-1) between Maricopa Integrated Health Systems (MIHS) and Wellpartner Inc. as a Third Party Administrator (TPA) for MIHS Pharmacy Services.
   c. Governance:
      i. INTENTIONALLY LEFT BLANK
   d. Medical Staff:
      i. Approve Maricopa Integrated Health System Medical Staff Appointments, FPPEs, Reappointments, Change of Privileges/Status, Waiver Requests, and Resignations for March 2017
      ii. Approve Maricopa Integrated Health System Allied Health Professional Staff Appointments, FPPEs, Reappointments, and Resignations for March 2017
   e. Proposition 480 Capital:
      i. Approve Amendment #1 to Contract 90-17-085-RFQ-CMAR with Kitchell Contractors Inc. (KCI) for Construction Manager at Risk (CMAR) Guaranteed Maximum Price (GMP) for Phase Two (2) completion of the Employee Health building and conduct the demolition of the Maricopa Medical Center southeast third floor area. Phase Two GMP cost is $750,000

MOTION: Director Dewane moved to approve the consent agenda. Director Wilcox seconded. Motion passed by voice vote.
2. Discuss, Review and Approve the Revised Maricopa County Special Health Care District Approval, Authorization and Responsibility Matrix

Chairman Gerard noted the necessity to add a section to the Maricopa County Special Health Care District’s Approval, Authorization and Responsibility Matrix (Matrix) dedicated to Proposition 480 projects.

**MOTION:** Director Wilcox moved to add Section XII to the matrix that deals with just Proposition 480 projects, with the following changes to Section XII: add the definition of ‘notice’ to the matrix, move B.1. to Board approval, move F.3. to Board approval, and with regard to Section XII.C.4., the Board will receive a quarterly report on all P-card purchases. Director Dewane seconded. **Motion passed by voice vote.**

**MOTION:** Director Bicknell moved to make the following change to the Maricopa County Special Health Care District Approval, Authorization and Responsibility Matrix; reduce all current approval amounts by 50%, and directed staff to revise the District’s Procurement Code, if needed, in order to align the new amounts and to bring back any changes to the Board for approval. Vice Chairman Harden seconded.

Chairman Gerard requested a roll call vote.

Director Dewane questioned if the reduction in approval levels would cause a negative impact on procedural or operational efficiencies.

Mr. Purves stated that he was most concerned with the efficient operations of the medical center; however, there was a need to balance that with the Board fulfilling its fiduciary responsibility. He noted that he did not foresee major operational issues with those reductions, other than increased items requiring Board approval. Should this action cause timeliness or operational challenges, staff would request a discussion with the Board.

Director Bicknell stated that it was not his intent to micromanage the hospital operations; however, to uphold the Board’s fiduciary responsibilities.

Chairman Gerard clarified that the proposed reductions would apply to the newly added Section XII, which related to Proposition 480. She was concerned that the reductions would cause delays or challenges, specifically with emergencies, which could slow or stop construction. She also recognized Director Bicknell’s concern with the Board’s fiduciary responsibility; however, she was unaware of any incidents or problems with the current matrix and approval thresholds, and did not believe the proposed reduction was necessary.

Mr. Purves noted that his previous comment regarding the reduction were not related to Proposition 480 projects. He was strictly referring the impact on hospital operations. He echoed Chairman Gerard’s concerns with the reduction to the approval thresholds, as it pertained to Proposition 480.

Vice Chairman Harden suggested Section XII be excluded from the reductions.

Director Bicknell stated that it was his intention to include Section XII in the reductions.

Director Dewane concurred with Chairman Gerard, in that the reductions to the matrix had the potential to delay progress on various projects related to Proposition 480, as well as cause challenges in hospital operations. He also questioned the necessity for the reductions.

Director Bicknell stated that he was willing to exclude Section XII, to avoid any potential delays to Propositions 480 projects.
General Session, Presentation, Discussion and Action, cont.:

2. Discuss, Review and Approve the Revised Maricopa County Special Health Care District Approval, Authorization and Responsibility Matrix, cont.

Director Wilcox stated that she would support the proposed reductions to the matrix, including Section XII and suggested Director Bicknell request a quarterly report, outlining any negative impact or burden placed on the Proposition 480 projects caused by the reductions.

Director Bicknell confirmed that the proposed reductions to Section XII had the potential to cause delays in the Proposition 480 projects; which was not his intention or desire.

Vice Chairman Harden withdrew the second to the motion.

Director Bicknell withdrew the motion.

MOTION: Director Bicknell moved to make the following changes to the current Maricopa County Special Health Care District Approval, Authorization and Responsibility Matrix; reduce all current approval amounts by 50% to Sections 1 through XI and to direct staff to revise the District’s Procurement Code, if needed, in order to align the new amounts and bring back any changes to the Board for approval. Vice Chairman Harden seconded.

Ms. Gaw stated that the reductions to the approval thresholds on the remaining sections of the matrix, also had the potential to impact the effectiveness of hospital operations, as many day-to-day decisions would require higher approval levels.

Chairman Gerard noted that the overall reduction of every approval threshold could result in unintended consequences throughout the organization.

Vice Chairman Harden stated that should the proposed motion pass, and those reductions negatively affect hospital operations, the Board would be willing to review the matrix in the future.

Chairman Gerard understood that certain members of the board had concerns with the current matrix; however, she did not agree with the approach to apply reductions to the entire matrix.

Director Dewane concurred with Chairman Gerard and stated that the impact on the organization would be immediate, as policies and forms throughout the organization would need to be updated, as well as change to the procedures of most departments. He recognized the concerns with the current matrix; however, the proposed reductions were fraught with problems.

Vice Chairman Harden noted that she had requested a review of the matrix on several occasions and supported the proposed revisions. Should the reductions have a negative impact on hospital operations; she was certain that management would bring back to the Board for further discussion.

VOTE: 3 ayes; Vice Chairman Harden, Director Bicknell, Director Wilcox
2 nays; Chairman Gerard, Director Dewane

Motion passed.

3. Discussion and Possible Action on Maricopa Integrated Health System’s 2017 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 stated that there had not been much movement on the budget. He reviewed the bills tracked by Maricopa Integrated Health System (MIHS) and noted that the study committee for Senate Bill (SB) 1031 continued to discuss the incompetent and dangerous population.
3. Discussion and Possible Action on Maricopa Integrated Health System’s 2017 Legislative Agenda and/or the District’s Position Regarding Current or Proposed State and Federal Legislative Items, cont.

Mr. Fronske outlined the proposed American Health Care Act, which was the current legislation to repeal and replace portions of the Affordable Care Act, and highlighted the potential impact to MIHS, should the legislation pass. He noted the various organizations that had rallied together to express their opposition to the legislation.

Director Wilcox express her appreciation for the timely updates regarding the various legislative items; both local and federal.

4. Discuss, Review and Approve Merit Increases for Maricopa Integrated Health System Employees for Fiscal Year 2016 Performance

This item was not discussed.

5. Approve Renewal or Proposed Revisions to the Following Board Policy Statements:

**Conduct**

a. Policy 99303 G Political Contributions

**MOTION:** Vice Chairman Harden moved to approve the proposed revisions to Board Policy Statement 99303 G Political Contributions and direct staff to add to the MIHS 77200 S Political Activity and Electioneering Policy, starting on page 3, under MIHS/District Employee Permitted Activities, MIHS/District Employee may: Make political contributions. Director Bicknell seconded. Motion passed by voice vote.

6. Reports to the Board of Directors; Possible Action:

a. Monthly Proposition 480 Capital Purchases Update

b. February 2017 Maricopa Integrated Health System Key Indicator Dashboards; Financial Report

c. Quarterly Update on the Behavioral Health Initiatives

d. Monthly Media Report

Chairman Gerard referred to the February 2017 MIHS Key Indicator Dashboards and asked if the various improvement plans were trending positive results for the organization.

Ms. Gaw stated that there had been improvements in volumes from prior periods, in particular in admissions and observations days, surgeries, and ambulatory visits.

Mr. Cavallo provided an update on the various behavioral health initiatives, including the status of the Assertive Community Treatment (ACT) team and the First Episode Center, and other opportunities for MIHS to provide services to the seriously mentally ill (SMI) population.
7. Concluding Items
   
a. Old Business:

    **February 22, 2017**
    
    **Prop 480 Funds**
    - Revised Authorization and Authority matrix to be on March agenda
    
    **Legislative Update**
    - Provide a compare and contrast on proposed ACA changes that may affect MIHS
    
    **FY 18 Budget**
    - Frontend discussion about variables that could impact FY 18 budget

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

Director Bicknell requested that the matrix be placed on the April Board agenda for further discussion, in particular, specific examples on how the reductions to the matrix impacted the organization’s efficiency and effectiveness.

Director Wilcox suggested postponing the implementation of the approved reductions until after the discussion at the April Board meeting.

Ms. Gaw expressed her appreciation for the Board’s consideration in postponing the implementation.

2. Discuss, Review and Approve the Revised Maricopa County Special Health Care District Approval, Authorization and Responsibility Matrix

**MOTION:** Director Bicknell moved to delay the implementation of the changes made to Sections I through XI of the Approval, Authorization and Responsibility Matrix for the next 60 days, and this will be brought back at the May formal meeting. Director Wilcox seconded. **Motion passed by voice vote.**

7. Concluding Items

Chairman Gerard reviewed old business and reiterated outstanding items.

Vice Chairman Harden shared information they she received from attending the Estes Park Institute Conference.

Mr. Purves highlighted that MIHS had a very successful Match Day and noted that MIHS staff attended the Match Day Ceremony at Midwestern University, to capture the reactions of those that matched with MIHS. He shared the video and expressed his appreciation to staff for the quality of the product.
Adjourn

MOTION: Vice Chairman Harden moved to adjourn the March 22, 2017 Special Health Care District Board of Directors Formal Meeting. Director Dewane seconded. Motion passed by voice vote.

Meeting adjourned at 3:09 p.m.

______________________________
Susan Gerard, Chairman
Special Health Care District
Board of Directors