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

Absent:  
Terence McMahon, Director, District 5

Others Present:  
Betsey Bayless, MIHS, President & Chief Executive Officer  
Bill Vanaskie, MIHS, Chief Operating Officer  
Michael Ayres, MIHS, Chief Financial Officer  
Warren Whitney, MIHS, Chief External Affairs Officer  
David Wisinger, M.D., MIHS, Chief of Staff – arrived at 1:06 p.m.  
Sherry Stotler, MIHS, Chief Nursing Officer  
Louis Gorman, District Counsel  
Patricia Schultheis, MIHS, Assistant Clerk of the Board  
Susan Doria, MIHS, Vice President Strategic Planning  
Jackie Hernandez-Ojeda, MIHS, Director, Medical Imaging  
Brian Maness, MIHS, Director of Contracts & Procurement  
Michael Fronske, MIHS, Director Legislative and Governmental Affairs

Guest Presenters:  
Rob Farr, Kurt Salmon  
Larry Sterle, Kurt Salmon

Recorded by:  
Melanie Talbot, MIHS, Executive Director of Board Operations

Call to Order

Chairman Gerard called the meeting to order at 1:02 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.

Pledge of Allegiance

The Pledge of Allegiance was led by Ms. Stotler.

Call to the Public

Chairman Gerard called for public comment. There were no comments.
General Session Presentation, Discussion and Action:

1. Maricopa Integrated Health System Nursing and Patient Services/Nightingale Nurse of the Year

Ms. Stotler recognized Mr. Doug Boyle who was selected as the 2013 Nightingale Winner and that he truly deserved the award. She read some excerpts from the nomination submitted on behalf of Mr. Boyle.

Chairman Gerard asked Ms. Stotler who nominates individuals for the award.

Ms. Stotler replied that nominations are submitted by staff members including fellow nurses, and physicians. The nominations are reviewed by a committee.

Director Harden wanted to recognize individuals including members of the nursing staff, in conjunction with a letter she received from the family of a former Maricopa Integrated Health System (MIHS) patient. The patient had been in the MICU and the family wanted to thank all of the nurses, physicians and ancillary staff who helped the patient.

Chairman Gerard commented that it was good to hear the positive feedback as it reminds every one of the purpose at hand. Sometimes it is easy to get caught up with finances and forget about the mission.

2. Special Health Care District Facilities Condition Assessment Report

Mr. Sterle presented a brief background on the process that was used in order to provide a quantitative assessment of MIHS owned facilities. The first thing looked at was the capabilities of buildings and the functionality within those buildings including size of spaces, throughput, and how the building were used quantitatively.

Mr. Sterle pointed out that the Bond Advisory Committee (BAC) was about halfway complete through its process and that today’s presentation will be shared with the Committee at its July 2013 meeting.

Every MIHS owned facility was toured by Kurt Salmon staff along with staff from MIHS’s Facility Department. Floor plans were reviewed, volumes were reviewed, and space utilization analyses were conducted. All of the information was then reviewed for accuracy with senior administration, nursing staff, and the Facilities Department. A Facility Condition Survey was utilized to complete the Facilities Condition Assessment Report. The survey includes eight elements: functional-structural; vertical circulation; electrical; life safety; ADA; IT; mechanical and exterior. The eight elements include a series of data points covering 80 broad categories and 54 sub-categories. The process was not the same as hiring an engineering firm to do a detailed study and replacement plan. The Facilities Condition Assessment is strictly informational as to the state of MIHS facilities as of April, 2013.

A red-green-yellow scoring system was used: red meaning the building is not suited for continued current use; yellow means it is sufficient for continued investment in current use; and green meaning the building is a strong asset for the long-term investment, and/or has multiple uses. Facilities were given a numeric score as well.

Mr. Sterle reiterated that eight different elements were reviewed and were weighted differently. Elements which are harder to change, (structural such as the width of a building, or floor-to-floor heights) were given more weight because it is difficult or impossible to change once a facility is built. Elements which are easier to change, (mechanical and electrical) were given less weight. The same survey tool was used for each building, although, the interpretation varies depending on the use of the space.

Mr. Farr said that MIHS has four main facilities, three of which are located on the main campus (2601 East Roosevelt Street, Phoenix): the Main Tower, the Comprehensive Health Center (CHC) and the 2619 Building. Desert Vista, the fourth main facility, is located in Mesa. The main campus also includes the Administration building, the Laundry/Maintenance Building, the Hogan Building, and the 2611 Warehouse.
General Session Presentation, Discussion and Action (cont.):

2. Special Health Care District Facilities Condition Assessment Report (cont.):

The majority of the four main facilities are yellow which is typical. It is very hard to have a green or red building so yellow buildings are the norm. The Hogan building, a small building located on the main campus, is yellow and red.

The functional-structural and vertical circulation elements makes up about two thirds of the survey weight since these elements are a harder to repair or replace once a facility is built. The 2611 Warehouse and Laundry/Maintenance building, located on the main campus, were evaluated but not to the same level of detail as the Main Tower and CHC.

Although built in 1970, the Main Tower received the highest rating of the MIHS facilities; a 2.14 out of a possible 3.0, which demonstrates the dedication and effort of the Facility Department staff to keep it well maintained. Of the different elements used to rank the Main Tower, it ranked lowest in vertical circulation due to the age of the elevators. Replacing the elevators would be a significant investment. The boilers and chillers are relatively new and years away from needing repair. Another negative side of the Main Tower is that there is a fresh intake at the front of the building, around the Cath lab, and emissions from this get caught up in the fresh air. It causes occasional complaints of smell.

The CHC ranked a 2.10, a little lower than the Main Tower. Although it was built in 1982, it was not until 1994 when it was finally maximized and every floor was used. Since the actual building has been in existence for 30 years, electrical, mechanical and other systems are coming up on their life cycle. Floor-to-floor height is an issue since it would be difficult to move the imaging equipment.

The 2619 Building and Desert Vista were rated lower. The 2619 Building has a poor exterior that needs retrofitting soon. Desert Vista’s exterior is fine. In each of the buildings, elevator shafts are shared by both patients and staff, therefore, the buildings rate low in terms of vertical circulation.

The Hogan building, built in 1989, received a red rating because it does not have a fire sprinkler system, which is a life safety issue.

Mr. Farr reviewed the Family Health Centers’ (FHCs) scores. Two of the Family Health Centers, Mesa and Guadalupe, received red rating. The remaining Family Health Centers received a red/yellow rating with the exception of Avondale, which received a yellow rating.

The Facility Condition Survey tool used is geared toward ambulatory centers that provide multiple services. Most of the FHCs provide a few services which explains why the ranking is lower. It is not necessarily a negative factor, however, upgrades will be necessary as services grow and a move is made toward more outpatient-centered facilities.

The Mesa FHC has functional and structural failures that need to be repaired soon which will be a significant investment. The Guadalupe FHC has the same issues and it has a narrow building footprint which makes expansion challenging and would involve either adding new structures or changing the configuration.

Director Harden asked what year the Mesa FHC was built.

Mr. Farr stated he did not have the information, but would check with MIHS facilities staff and forward the information to the Board.

Of the different elements used to rank the FHCs, the mechanical, electrical and IT elements for all of the FHCs were red. Those elements would need to be upgraded if the direction is to offer more services at the FHCs.

Mr. Farr outlined other considerations for the Main Tower. The bed tower’s configuration is not designed for the transition to high acuity patient and increased technology. The conversion to few beds per floor would results in undersized, less efficient bed units. It would be challenging to provide good care.
2. Special Health Care District Facilities Condition Assessment Report (cont.):

Another consideration for the Main Tower is parking. While there is a sufficient amount of parking, there is little relationship between parking spaces and the patient entrances. Family members have to drop the patient off at the entrance, park and then have to find their way back to the entrance.

Mr. Sterle explained that Kurt Salmon views space in two different ways: department gross square feet (DGSF) and net square feet (NSF). DGSF is all the space within the boundaries of the department includes all the rooms, walls and corridors within a department, with the exception of a stairwell. DGSF is used for the clinical areas and is based on key room analysis. A key room is a major functional space of a clinical department, such as a bedroom, an OR, or an Emergency Department treatment room. The metrics are developed by dividing key rooms into this measure of space.

NSF is used for individual rooms. NSF is the interior space within the room.

Those two numbers, DGSF and NSF, are compared to code requirements, what is needed to meet functional requirements and the technology that is present in hospitals today. Four beds in a room were common in 1970, however, that is not allowed by code today. Private rooms are the standard, by code. Clinical models have changed with more emphasis on infectious disease prevention, so there is good reason to change; it is not just to have more space.

Throughput or utilization, meaning how much utility is obtained from a space, was also used in the analysis. If the space is undersized it cannot be used to a contemporary standard. Use of inpatient units is measured by occupancy rate a midnight census. In other cases there may not be enough demand for a particular service. These factors are considered in relation to inpatient units and diagnostic and treatment services.

Mr. Sterle reviewed the functional assessment summary of inpatient beds in two ways: unit/room assessment and patient days/volume assessment. A red-green-yellow-blue scoring system was used. When the color system is applied to the unit/room assessment, red means the space is greater than ten percent below target range; yellow means the space is within 10 percent of target range; green means the space is within target; and blue means the space is greater than ten percent above target range. An example of blue would be the Imaging Department because of how it is configured.

When the color system is applied to patient days/volume assessment, red means capacity has exceeded target and there is insufficient capacity available for current activity. Yellow indicates capacity is within target, however, there are limited growth opportunities. Green means capacity is below target and there are opportunities for growth.

The Main Tower, 2619 Building and Desert Vista are red in relation to the ratio of private rooms. The one exception is the Adult Burn Unit. Of the 18 rooms, 17 are private and one is semi-private.

The overall DGSF bed rating (unit/room assessment) in the Main Tower is very low which is due to the nature of the building. There is a lot of opportunity in the occupancy area (patient days/volume assessment) to utilize beds more. Adult Med/Surg is at about 75 percent occupancy at midnight which is fairly well utilized. Adult Intermediate (APCU) is at 114 percent occupancy and it is not known exactly why. Sometimes the numbers at midnight census are not always pure to the unit due to transfers and how days are tracked.

The MICU received red ratings for unit, room and patient day assessments. The privacy and separation around the patients is inadequate; there is no space for the families, staff and equipment. If the units were to be rebuilt today it would be built using 850 DGSF per bed, particularly in a teaching environment. Maricopa Medical Center’s MICU is 299 DGSF per bed.

Labor and Delivery Unit has 100 percent private beds and the occupancy rate is at 49 percent.
General Session Presentation, Discussion and Action (cont.):

2. Special Health Care District Facilities Condition Assessment Report (cont.):

The functional assessment of the 2619 Building (inpatient behavior health units) was reviewed. The standards of behavioral health care have changed to a private room therapy model therefore the standard of care is not met in this respect. Additionally the 2619 Building serves behavioral health patients who have medical needs, however, the building is not designed to manage those types of patients. The occupancy rate is high.

Desert Vista’s functional assessment shows a similar picture to that of the 2619 Building. The patients are involuntary, committed patients. It is at capacity, (red rating) with no room to take on any voluntary patients.

Director Dewane questioned what would be needed in order to get the patient day percentages to within target.

Mr. Sterle explained the facility needs to have the ability to turn over beds during the day. If the facility is full at night and tries to take patients in without enough patients being discharged, it becomes constraining. Patients can find themselves in a less than desirable situation awaiting an open bed, particularly in a behavioral health setting.

Director Dewane asked if the length of stay (LOS) in the behavioral health facilities is longer.

Mr. Vanaskie stated the Med/Surg LOS is 3.1 to 3.4 days. The overall hospital-wide length of stay is five because of the Burn Unit, which is typically at about seven. The length of stay last month in behavioral health was 16.2 days. There is a three-day court ordered evaluation and then four or five day waiting for a hearing added to the treatment time.

Mr. Sterle reviewed the functional assessment of the diagnostic and treatment areas. Surgery does not rate great as a surgical suite but there have been worse scenarios. There is no outpatient prep/recovery space. Imaging is rated higher and appears to have too much space.

Chairman Gerard commented that there seems to be a lot of space, but it is not configured right.

Mr. Sterle agreed that the space is not configured well at all.

The functional assessment of the Main Tower and CHC were reviewed. The CHC is heavily used and has a good look and feel when you go through it. Support space is low but the room sizes are good and the configuration is not bad for a building of its age. It does have some deficiencies including being oversized in a few places. This may be partially due to how the common areas are used for waiting. This made it difficult to figure out exactly where the DGSF boundary is.

As far as utilization of the rooms, there is capacity to grow. The average number of daily clinic visits per room, over a year, is six to seven. To the degree that the rooms are dedicated they don’t get used very well. For example, Dr. A may have three rooms and Dr. B may have three other rooms but if Dr. A only works three days a week and Dr. B works three days a week without sharing anything, the rooms may be sitting empty. This is a very typical, common problem. More and more places are placing emphasis on working with the physicians and nurse practitioners to schedule space in a way to get more usage out of them. The targeted per room DGSF measure is 650 square feet, assuming it is all dedicated within the department, that common space was not being used, and including the exam room, support and teaching spaces.

The NSF ratings by department are good for the most part and just a couple are undersized. It is not unusual to see a Pediatric Department that is undersized because the thinking in the design process is that they are little people who need little spaces. This does not take into account that they bring family with them so bigger spaces are needed. Again, this is another common problem.
General Session Presentation, Discussion and Action (cont.):

2. Special Health Care District Facilities Condition Assessment Report (cont.):

There are a couple of troubling areas. The Eye Clinic’s rooms are 100 square feet making it difficult to get enough distance for reflective testing. Similar concern is present with a few of the specialty rooms.

There was difficulty trying to break up the measure between utilization, quantity and space in Mammography and Ultrasound in the Women’s Clinic. As a result the throughput metric is broken out and blended into the other space.

Mr. Farr reviewed the functional assessment of the FHCs. Avondale has a high DGSF per room rating. This is due to the large medical file spaces that have been converted to educational family centers that are included in the rating. More importantly the NSF room rating for Avondale is red even though it was ranked highest of all the FHCs. While there is ample waiting space the inpatient room space is not adequate, considering you may have four or five family members in the room. Also, some of the clinics have bars on the windows. Even though these may be required due to the type of neighborhood it is located in or pharmaceuticals on the premises, it is a security concern.

Mr. Farr stated as to the cases per room, per year, generally if a clinic is yellow it is pretty busy and it appears like there is a lot of opportunity against the metric but this is actually when to start considering expansion. If the designation is green it may be that it has already been expanded and is growing, or it is just being established in the neighborhood.

Chairman Gerard stated she was confused about some of the colored dots and what they designate. It appears some of them relate to space and square footage and others relate to capacity to see patients.

Mr. Sterle stated this was true.

Chairman Gerard questioned the dental clinics assessment. The past couple of years the clinics have not met budgeted projections for patient visits. Could the assessment be interpreted to mean there may be other reasons, like physical plant limitations, affecting their numbers?

Mr. Sterle replied that there is a physical constraint to schedule people and process them through at the South Central, Avondale and Mesa facilities. The numbers suggest it is probably more than simply a lack of scheduling or staffing space. Chandler and Glendale are in better shape. There may still be imbalances there in staffing or other things, but it is probably less likely to be a space constraint issue.

Mr. Sterle stated the dental chair space at South Central is approximately 110 to 120 square feet. In configuring smaller spaces normally there is no counter for either the dentist or hygienist, the sink is probably outside of the room and the x-ray machine is not in the same room. This is not a functional space.

Mr. Farr added that his understanding is the spaces were not initially planned to be dental clinics and they evolved within the spaces.

Director Dewane stated he had visited the Adult Emergency Department (Adult ED) with family members and the room was separated by curtains. He asked if this meant it has a DGSF and no NSF due to the curtain separation in the room.

Mr. Sterle stated some spaces are separated by curtains and there are individual rooms too. The individual rooms have NSF and the curtain lines were used to create NSF for the others.

Director Dewane recalled the Adult ED contained six or eight beds, separated by curtains; an immediate treatment area where the ambulance drops you off and you can be stitched up and tended to otherwise and after that, you move into another area.

Mr. Vanaskie answered in the affirmative.
General Session Presentation, Discussion and Action (cont.):

2. Special Health Care District Facilities Condition Assessment Report (cont.):

Mr. Sterle stated there is a very nice room off of the Pediatric Emergency Department (Pediatric ED) which shares some things with the Adult ED, like ambulance bays, entrances, etc. For this reason those spaces are combined and then divided. A lot of the deficiency in the 511 DGSF is on the adult side, but the pediatric side is also not up to contemporary planning standards. All in all, staff has done a great job with what they have in those departments.

Mr. Farr stated there is a mechanical room in the middle of the Pediatric ED which also limits the opportunity in the space.

Chairman Gerard asked what the Board should do now that the information has been presented to them.

Mr. Sterle said the goal is to get a sense as to what is needed in the future, at a high level. His firm, Kurt Salmon, will then recommend changes in space, different investment options, etc. It will be a high, forward-looking slice of a plan. They will also determine how much capital deficiency there is and how much it would take to get to an environment that can support the level of care targeted for the future.

Chairman Gerard asked if it was typical for the hospitals to be maintained more than the clinics in other health systems.

Mr. Sterle stated caution must be taken to remember the rating system is built to look more at Comprehensive Health Centers versus individual sites. Individual sites are not going to have the robust mechanical and electrical systems, generator backups and other things that the CHC has so it will rate lower. This lower rating is not a concern and each site should be assessed on an individual basis.

Chairman Gerard questioned if a clinic shows a bottom line of a red dot whether it makes sense to build versus renovating.

Mr. Sterle stated he did not believe they had enough information yet to recommend anything on the Mesa site. He believes Mr. Farr mentioned some structural issues there and if they are able to solve these at a realistic price this may be the way to go.

Chairman Gerard commented they would have to cost out both building new and making changes.

Mr. Sterle added that the location of the site will also play a role in a decision to build new or make changes to existing structures.

Chairman Gerard asked when the Bond Advisory Committee would be considering the assessment next.

Mr. Sterle replied they would be meeting with them on July 8, 2013.

Chairman Gerard asked what would happen after the meeting on July 8.

Mr. Sterle explained they would then begin to look at the array and cost of services for the future versus where MIHS is today.

Break: 2:15 p.m. – 2:29 p.m.

8. Election of Board Officers for Fiscal Year 2014, Per Board By-laws, Article VI, Section 2

Chairman Gerard announced this item would be considered at the next Board meeting.
3. Discuss and Review Fiscal Year 2014 Special Health Care District Budget including the Tax Levy for Fiscal Year 2014 and the Board of Directors Office Budget.

Ms. Bayless stated she had new information to share. The Legislature voted to expand Medicaid and the Governor signed the bill. Part of the bill related to assessments on hospitals and healthcare systems. The detail for this was not included in the legislation and instead it called for the Governor and AHCCCS to provide that information later. For the last year or so MIHS has been operating under the Safety Net Care Pool (SNCP) arrangement with Centers for Medicare and Medicaid Services (CMS). SNCP expires in January and the hope was to be able to pick it back up with the Medicaid Expansion. The preliminary information regarding the assessments and the money MIHS would get is at least $20 to $30 million. A conference call is currently underway regarding this and MIHS will be speaking further with AHCCCS but the information so far is disappointing.

Chairman Gerard asked for clarification if the net effect of MIHS paying the assessment will mean the cost is $20 to $30 million.

Ms. Bayless clarified this was not how it works. MIHS pays a match and then money comes in so MIHS would end up paying approximately $2.5 million. Ms. Bayless asked Mr. Ayres to confirm this.

Mr. Ayres stated this was correct.

Ms. Bayless asked Mr. Ayres if the net to MIHS would be $10 million.

Mr. Ayres affirmed this.

Ms. Bayless explained that the hope was to net at least $30 million and this is what was budgeted for fiscal year 2014. Staff will be working on this and talking to AHCCCS in an attempt to improve MIHS’s position.

Director Harden asked if the budget was prepared with the assumption of the $30 million.

Mr. Ayres confirmed it was.

Chairman Gerard commented she thought the assessment money paid a share of AHCCCS.

Ms. Bayless stated it applies to the match.

Chairman Gerard asked if this means the money doesn’t come to MIHS.

Ms. Bayless explained the money goes to the Federal Government and then they send it back.

Chairman Gerard commented that SNCP will be going away January 1, 2014, only half a year away.

Director Dewane expressed his belief that there are four moving parts feeding into the decision regarding the vote to levy a tax, including a potential $4 million increase. The SNCP; the increase or decrease in revenues or costs from the AHCCCS piece; any potential expenses or revenues adjusted for the implementation of the Regional Behavioral Health Authority (RBHA) contract; and the net effect of the RBHA contract as it has to do with the tax assessment.

Mr. Ayres agreed with Director Dewane’s assessment.

Chairman Gerard commented that if the shortage is $30 million, that $4 million will not save the day and a lot more needs to be identified. She asked how the increased revenues as a result of going to 133 percent of the federal poverty level would play into the equation.
General Session Presentation, Discussion and Action (cont.):

3. Discuss and Review Fiscal Year 2014 Special Health Care District Budget including the Tax Levy for Fiscal Year 2014 and the Board of Directors Office Budget (cont.):

Mr. Ayres stated there is a population of patients under SNCP currently that MIHS receives no payment. There are several categories inside of this population of patients. One segment, the childless adult population, will be covered under the Medicaid Expansion. Professional fees for this population are not currently covered. The indigent population which is not eligible for any federal or state program will stay.

Director Harden questioned if Mr. Ayres meant to refer to the “indigent” population.

Mr. Ayres clarified he meant “self-pay.” The self-pay population is comprised of individuals who make enough money to live but not enough to pay their hospital bills. These individuals are under the Copa Care program.

Chairman Gerard asked if the self-pay individuals were citizens who are over the 133 percent federal poverty level.

Mr. Ayres stated Chairman Gerard’s understanding was correct. Then the last population is the undocumented individuals, for which there is no payment from any source.

Chairman Gerard asked if MIHS does not currently receive payment from the undocumented population.

Mr. Ayres confirmed Chairman Gerard was correct.

Mr. Ayres stated the assumption was that in 2014, the individuals currently under SNCP would transition into the Medicaid Expansion program. The assumption was also that there would be a slight increase in enrolled individuals. The combined value of this would result in a positive amount of $30 million.

Mr. Ayres stated all of the foregoing was netted down to a decrease of $27.9 million for SNCP against the $30 million increase for the combined dollars associated with Medicaid Expansion and additional patients. Additional elements are the assessment piece which is not budgeted and the uncertainty related to the tax assessment.

Documents from the State were received at 5:30 on Friday indicating MIHS will be assessed $2.5 million, which is the match piece that goes to the Federal Government. MIHS will receive back $12.6 million to net $10 million. The data from the State is not clear. For instance, this does not cover the services currently being provided to the eligible population inside the SNCP. In the end, the difference between what the State is considering paying MIHS and what MIHS will have to give up, just in the SNCP arena, is $17 to $20 million.

The State’s projections for 2015 are different. They project MIHS will gross $46.8 million and get a net of $38 million so the assessment is 10% versus 32% on the SNCP. MIHS would benefit with this scenario. However, there are questions as to what is calculated in the State’s numbers since six months of taxes in 2015 does not equal six months in 2014. It is possible they have a ramp up period built into the equation but that is uncertain. Either way you look at it there is a possible gap of $20 million between what MIHS received this year and what the State is thinking of giving it next year.

Director Harden asked Mr. Ayres if he was referring to the first six months of the fiscal or calendar year.

Mr. Ayres stated he was referring to the fiscal year.

Chairman Gerard commented that the first six months would be under SNCP.

Mr. Ayres replied that is why MIHS will have $27 million in the first six months and it then it goes away and is replaced by $10 million.
General Session Presentation, Discussion and Action (cont.):

3. Discuss and Review Fiscal Year 2014 Special Health Care District Budget including the Tax Levy for Fiscal Year 2014 and the Board of Directors Office Budget (cont.):

The RBHA is a zero expense impact. MIHS has committed $5 million capital investment in the firm which was done as an income statement event for 2015.

Director Dewane asked Mr. Ayres how the revenue side of the RBHA changes would impact MIHS.

Mr. Ayres replied this should remain the same since the assumption is no change in the patient populations or provider mix.

Chairman Gerard pointed out that a quarter of this revenue may be lost due to having to extend Magellan’s contract.

Mr. Ayres stated, theoretically, Magellan would still be paying MIHS.

Chairman Gerard commented that MIHS should not be hurt as a result of this.

Mr. Ayres agreed with Chairman Gerard’s statement.

Mr. Ayres stated the budget includes the same numbers as before. The patients are brought over at the same rate with the only difference being it is a different payer. The good news is that MIHS will only be paying 10% instead of 32% on the match. The bad news is that MIHS lost reimbursement for everyone not included in the Medicaid Expansion, which is a fairly good-sized population. For this reason MIHS has tried so desperately to be included in the bill so this program could be continued. It will be a struggle to try to get this to work but the belief is that this is still on the table.

Ms. Bayless explained that what Mr. Ayres referred to is a bill to continue the Safety Net Care Pool and MIHS is not included in the bill. Mr. Whitney put great efforts into an attempt to include MIHS in the bill. The thought was that MIHS was included and then some unfavorable things happened and it was not.

Director Dewane asked if this situation could be fixed.

Chairman Gerard stated the language is in the budget bill statute.

Ms. Bayless added the hope is that the situation can be remedied but it may have to wait until the Legislature is back in session. She is uncomfortable with the fact it is not currently fixed, considering the information Mr. Ayres has presented.

Director Dewane asked if a revision of the statute is required to include MIHS.

Chairman Gerard explained it was probably included in one of the budget reconciliation bills. The reasoning to include Phoenix Children’s was most likely to allow them some protection since they do not benefit from the Medicaid Expansion. There is nothing AHCCCS can do and it requires legislative action.

Ms. Bayless commented that it was AHCCCS and the Governor’s office that precluded MIHS from being in the bill.

Chairman Gerard then moved on to the tax levy, asking anyone if there were questions. The item is scheduled for a vote at the Board’s meeting on Friday.

Vice Chairman Bicknell stated he thought the paperwork explained everything.

Director Harden commented they were looking at a $17 to $20 million unanticipated decrease and if the tax is not levied this would be another $5 million.

Director Harden asked how the $17 million would be fixed even if the Board were to levy the full tax.
General Session Presentation, Discussion and Action (cont.):

3. Discuss and Review Fiscal Year 2014 Special Health Care District Budget including the Tax Levy for Fiscal Year 2014 and the Board of Directors Office Budget (cont.):

Mr. Ayres stated it is a bit problematic. There are some sizable expenses that MIHS has to incur in order to meet statutory reimbursement requirements for the end of next year. There are some discretionary expenses that can be eliminated but they do not amount to $5 million. After $5 million is identified the only thing that can be controlled will be programs, services and people. It will become a cash issue unless the Board is willing to take an operating loss for the year. The cash position at the current time is fine but it should be reserved since it is unknown as to what will happen in the fall. There are some strategies that can be put in place and a better picture of this can be presented Friday, if the Board desires.

Director Dewane asked if MIHS currently had $160 million in cash.

Mr. Ayres stated MIHS currently has $150 million in cash. With money that is due from the State next year, the cash position will be in the $175 million range.

Chairman Gerard asked if this included the reserve money from the Maricopa Health Plan.

Mr. Ayres confirmed it was included in the figures.

Chairman Gerard asked how much was in reserve.

Mr. Ayres stated $20 million was in reserve.

Director Dewane asked how much was owed to the County.

Mr. Ayres stated there is an amortization schedule and $15 million is due in November of 2015.

Chairman Gerard asked how many days cash on hand.

Mr. Ayres replied about 90 days.

Chairman Gerard recalled the standard from years ago was about 120 days and that the District was at zero when it began.

Ms. Bayless stated the District was in the negative when it began.

Chairman Gerard commented that the cash is in a very good position, considering where it was when the District began. Even without the full tax rate it appears the budget will not balance, given the new numbers from AHCCCS. It seems to be short $15 or $20 million.

Mr. Ayres confirmed the range was $15 to $20 million.

Director Dewane asked what the bottom line was for fiscal year 2013.

Ms. Benaquista stated it was break-even.

Director Dewane asked how surplus dollars are handled.

Mr. Ayres replied it goes into cash.

Director Dewane mentioned that a number of items were approved such as expenses for programs and ICD-10 that potentially, will draw significant amounts of money. He questioned if these savings were included in the budget.

Mr. Ayres stated those savings would be reflected in the 2015 budget.
3. Discuss and Review Fiscal Year 2014 Special Health Care District Budget including the Tax Levy for Fiscal Year 2014 and the Board of Directors Office Budget (cont.):

Director Harden asked what could be cut without cutting people and services.

Mr. Ayres said he would get back to the Board with this information on Friday.

Vice Chairman Bicknell pointed out that the tax levy was $55.7 million in 2011; $57.9 in 2012 and $57.9 in 2013. MIHS has gotten along with these amounts and his personal preference is not to increase the tax.

Chairman Gerard asked administration staff to bring budget alternatives to the Board on Friday. She then commented that the more time sensitive item is the tax levy so if the Board needed to, it could defer action on the budget. She questioned when the due date was to submit tax levy information to the Maricopa County Board of Supervisors.

Ms. Talbot stated the Board did not necessarily have to vote on a budget on Friday, June 28. She believed the County’s deadline for the tax levy information was July 15, 2013. If this falls on a weekend then it is adjusted slightly. The Board does ultimately need to adopt a budget too and a decision should still be made within the next week.

Chairman Gerard commented that there is still a little more time to get information prior to adopting a budget and Ms. Talbot agreed.

Ms. Bayless stated senior administration was working on getting more information to the Board. The hope is that MIHS can have a direct conversation with AHCCCS before Friday.

Chairman Gerard stated since Mr. Fronske was already prepared to speak regarding item # 4 he could continue and then they would finish up with item # 3 afterwards.

4. Discussion and Possible Action on Maricopa Integrated Health System’s 2013 Legislative Agenda and/or the District’s Position Regarding Current or Proposed State and Federal Legislative Items.

Mr. Fronske said the legislative session concluded on June 14 at 1:00 a.m. There are still four tax bills awaiting signature and the Governor has until today to act on those bills. She can either act on them or do nothing, which means they would become law as of that evening. The Legislature passed Medicaid Expansion and the State Budget in a Special Session, with a bi-partisan vote. The Special Session lasted three days. Medicaid Expansion was part of the budget so it was included in what they call a budget reconciliation bill. It went through a process Mr. Fronske has never seen before where both the House and Senate rules were suspended and the bills went straight to the floor, as opposed to running them through any committees.

Mr. Fronske indicated he had sent out a list of the final results on bills that MIHS was tracking and then reviewed some of these. HB 2045 was the Hospital Reimbursement Methodology Bill for AHCCCS and it was attached to the Healthcare Direct Pay bill that was vetoed by the Governor. The Arizona State Retirement System Bill is a combination of six retirement bills that was blended into one at the end of the session.

Mr. Fronske reported they were able to defeat two tort reform bills - HB 2238 and HB 2239. HB 2044, the AHCCCS Continuation Bill, didn’t pass in its original form but it was included as part of the budget.

Mr. Fronske explained that the effective date for Regular Session bills is September 13, 2013 but since this was part of a budget bill the effective date for those is September 12, 2013. There have been filings to pull petitions to refer the AHCCCS measure to a ballot. There is also some question as to whether there is legal precedent to do this since it is a budget bill. There is a provision in the Constitution that states you can refer bills but you cannot refer budget bills.
General Session Presentation, Discussion and Action (cont.):

4. Discussion and Possible Action on Maricopa Integrated Health System’s 2013 Legislative Agenda and/or the District’s Position Regarding Current or Proposed State and Federal Legislative Items (cont.):

Director Dewane asked if they need 86,000 signatures and Mr. Fronske confirmed this was correct.

Chairman Gerard stated they would probably need about 120,000 signatures to account for those that are invalid.

Mr. Fronske agreed with Chairman Gerard’s estimation. If enough signatures are collected and the Court’s uphold it then it would go before the voters in November, 2014.

Director Dewane asked if it would be a referendum.

Mr. Fronske stated it would be a referendum. The Constitution states unless a bill passes as a budget bill or as an emergency provision, that those bills can, by a vote of the people, be referred back to the people to decide.

Chairman Gerard asked what the time frame for collecting signatures was.

Mr. Fronske stated it was four months.

Director Dewane asked Mr. Fronske what he felt as to the likelihood that a referendum would be successful.

Mr. Fronske stated since there is a limited time frame and no funding identified to support the signature gathering so it will be a very steep climb. It would also be difficult to collect signatures over the summer.

Director Dewane asked Mr. Fronske what he felt about the possibility that the issue would be considered by a court.

Mr. Fronske reiterated this cannot be done until the law is enacted. The issue then would be whether or not it could be taken to a court or if it is a Prop 108 provision, which requires a two-thirds majority to pass.

Director Dewane asked Mr. Fronske for his thoughts on whether he believed the Governor’s Office considered these issues before they proceeded in the fashion that they did.

Mr. Fronske believed the Governor’s office did consider this very thoroughly. Based on the attorneys who have been debating the issues it appears there are very strong arguments supporting why it does not require a Proposition 108 provision.

Chairman Gerard commented there is speculation that the Goldwater Institute would bring the lawsuit.

Mr. Fronske stated there is debate as to whether Goldwater would have standing to sue or if one of the hospitals that is taxed would have to do this.

3. Discuss and Review Fiscal Year 2014 Special Health Care District Budget including the Tax Levy for Fiscal Year 2014 and the Board of Directors Office Budget (continued discussion).

Referring to the new FTE requests for FY 2014, Vice Chairman Bicknell questioned the $100,000 budgeted for a manager of concierge services.

Ms. Benaquista explained this is a new FTE proposed for a Manager for Concierge Services. MIHS is a self-funded hospital and a lot of money is spent outside of MIHS for employee health services. The thought is to create a program or a way to encourage employees to use MIHS services.
General Session Presentation, Discussion and Action (cont.):

3. Discuss and Review Fiscal Year 2014 Special Health Care District Budget including the Tax Levy for Fiscal Year 2014 and the Board of Directors Office Budget (cont.):

This would be accomplished through a Concierge Program. It is a personalized program focusing on a very close relationship between providers and employees to encourage employees to choose MIHS, versus one of its competitors. The belief is that this will benefit MIHS from a health insurance expenditure standpoint.

Vice Chairman Bicknell asked for details as to what the $100,000 figure included.

Ms. Benaquista stated this would be the salary of the Manger for Concierge Services. The figure is based on what is known about the job description and requirements for the position as well as consideration of what comparable MIHS positions are paid. The amount could be less, but currently this is what is being used as the placeholder. Benefits would be an additional amount of about 25 percent.

Director Dewane asked if the Concierge Manager’s duties included sales, marketing and managing relationships.

Ms. Doria stated the concept is that the Concierge Manager would be promoting MIHS. The individual would need to possess sales skills specifically in healthcare. This would begin to position MIHS relative to activities as an Accountable Care Organization (ACO).

One of the first targets is the MIHS employee population. Benchmarks for employee utilization of MIHS services have been reviewed and they are very low, with the exception of in-patient care. The belief is that these numbers can be grown. Particular emphasis will be to increase the number of employees who choose MIHS primary care doctors and developing a personal relationship with them that directs referrals to in-house specialists and ultimately, drives care to MIHS facilities.

Director Dewane commented that for every person MIHS is able to secure in this effort it should lower MIHS’s healthcare costs. He questioned if the benefit should be two-fold since MIHS is paying for the employee benefits and also bringing revenue in.

Ms. Doria agreed with Director Dewane’s assumption.

Director Harden asked if a survey of MIHS employees was conducted to identify why they don’t currently utilize MIHS services and what it would take them to do so.

Ms. Doria stated that employees were surveyed. Two of the biggest issues were lack of convenience and confidentiality. These areas would be addressed. The belief is that services would need to be offered more broadly across a geography that is closer to home and not just physically in one location.

Director Harden asked if they were thinking of directing employees to the clinics for care.

Ms. Doria stated the thought is to direct employees to MIHS clinics. This may also address the confidentiality issue since the employee would not be receiving care where they work. Since employees may not be sure how to access care where they are not physically working the Concierge would help navigate the employee through the system.

Director Dewane asked if there was an offsetting pro forma number on the revenue side of the equation.

Ms. Benaquista replied there was a pro forma for an offsetting expense. It has not been built into the budget since the expense is still being incurred; plus there is ramp up time and some additional costs for DMG.

Director Harden asked for additional information on the costs associated with DMG.
General Session Presentation, Discussion and Action (cont.):

3. Discuss and Review Fiscal Year 2014 Special Health Care District Budget including the Tax Levy for Fiscal Year 2014 and the Board of Directors Office Budget (cont.):

Ms. Benaquista explained that some of the DMG physicians will need to be paid to do the concierge services if there is not capacity to handle it. There will be an additional reimbursement for this. Whatever revenue is realized this year will probably go out as an expense and then next fiscal year is when more savings should be seen.

Director Dewane suggested it would be helpful to have a return on investment calculation. For instance if MIHS is going to make $250,00 for every 1000 individuals captured, then the expense is justified.

Ms. Benaquista stated they did have this information and can bring it to the Board.

Chairman Gerard asked if the program was a pilot program.

Ms. Doria confirmed it would be a pilot program to start and would be eased into further, as it becomes successful. The plan is that as employee utilization is strengthened those employees will become ambassadors for MIHS and this will strengthen MIHS’s reputation in the community. However, another intangible is that it will be hard to measure employee’s using MIHS services.

Ms. Bayless recollected when the District was first formed MIHS employees could not utilize MIHS services. This was later fixed and the Concierge Program would take things one step further.

Vice Chairman Bicknell expressed concern over the total budget picture. He asked Mr. Ayres and his staff to look more closely at items such as memberships, licenses, certifications, consulting fees, and catering in all the departments. In some instances the costs have increased by as much as 50 percent from FY 2013 to FY 2014.

Ms. Bayless stated she spoke to Ms. Benaquista regarding a couple of questions Vice Chairman Bicknell had brought up and she asked her to address them.

Ms. Benaquista stated one of the questions was regarding miscellaneous expenses. This is a catchall expenditure category. $1.5 million is budgeted for this, year-over-year, and it is primarily comprised of two numbers. One is the resident stipend and the second is the development costs for the Special Needs Plan (the Maricopa Care Advantage Plan, or MCA). The resident stipend is computed as $3,000 per resident, for approximately 200 residents, which totals $600,000. The MCA is paid for over time, per contract, and is about $400,000. The total of these two items is $1 million of the total budgeted for miscellaneous expenses for FY 2014. About $100,000 is for education and development costs.

Ms. Benaquista stated another area Vice Chairman Bicknell was concerned with was catering. About $250,000 is budgeted for FY 2014 of which $70,000 to $80,000 is for new employee orientation, which is a large expense. Another item is food provided at the clinics for mothers and children while they are attending educational functions. Some other large items are the Annual Nursing Breakfast, Nurse’s Week and the new resident orientation.

Items included in the consulting and management category are $200,000 for consultants to help with the ICD-10 project; $350,000 for the Strategic Planning Process; $100,000 to respond to healthcare reform; $200,000 for HMA (Health Management Associates) A project MIHS envisions HMA tackling is the improvement poll which would have a significant financial benefit to the organization.

The category of memberships, certifications and licensures includes dollars for MIHS’s membership in many professional organizations. One of the larger associations is the National Association of Public Hospitals. Others are the American Hospital Association and the Arizona Hospital and Healthcare Association. Many of these are pricey and they add up. One million dollars was budgeted in FY 2013 and $100,000 more is budgeted for FY 2014. This includes some additional funding for certifications such as the Arizona Children’s Center, which is $40,000.
General Session Presentation, Discussion and Action (cont.):

3. Discuss and Review Fiscal Year 2014 Special Health Care District Budget including the Tax Levy for Fiscal Year 2014 and the Board of Directors Office Budget (cont.):

The bonus category is an expense category from a payroll perspective. The majority of the expenses in this category are for premium pay so the title should be bonus/premium pay. Premium pay is differential pay for working weekends, evenings, on-call, to be a charge nurse, etc. The majority of these dollars are clinical and then some of them are for support departments that are 24/7, like housekeeping and food services.

Director Dewane asked if the catchall bonus category would be used for an employee who is working an eight-hour shift and works an extra 15 minutes.

Ms. Benaquista stated it would not be used for this. The bonus category is only the premium given as a differential to work a specific shift. For example an employee may be paid $2 extra an hour to work evenings. If an employee works extra hours in their shift then this is a different category of overtime pay.

Director Dewane asked if the Department of Labor dictates the compensation requirements.

Ms. Benaquista replied that healthcare organizations vary in how they pay premium pay; industry practice governs much of it and she does not know of anyone that does not pay premiums.

Director Harden asked how much of the bonus pay category was actually bonus pay.

Ms. Benaquista stated she would have to run a query to see if they could figure this out. She estimated that of the $11.7 million about $11 million is premium pay.

Chairman Gerard suggested that the category be called something other than bonus.

Ms. Benaquista reiterated she agreed and added that it has been titled this way for so many years.

Director Harden commented the title is especially concerning when the dollars are not budgeted and they end up on the bottom line, at the end of the fiscal year.

Mr. Ayres replied that the dollars are budgeted. He explained that three line items are budgeted and the type of pay is captured as the actual pay is distributed.

Director Harden asked Mr. Whitney whether MIHS already had a provider outreach person or if the FTE identified in the proposed budget was a new position.

Mr. Whitney stated there was a Provider Outreach position currently which is transferring from his area to Dr. Fromm.

Director Harden asked for further clarification as to whether it is considered a new position.

Mr. Whitney stated the position exists now and it will continue but a support position was also being considered.

Director Harden asked if the transferred FTE would be responsible for different things from those currently being handled.

Mr. Whitney stated the position would be an administrative support position.

Ms. Benaquista explained it would be an administrative support position to the Physician Outreach Director. They would provide administrative and strategic support on projects such as the physician directory, the Physician Day, the new physician satisfaction survey, customer relationship management, software management, etc.
General Session Presentation, Discussion and Action (cont.):

3. Discuss and Review Fiscal Year 2014 Special Health Care District Budget including the Tax Levy for Fiscal Year 2014 and the Board of Directors Office Budget (cont.):

Chairman Gerard asked why this was not part of the DMG budget or something that is split with DMG.

Mr. Whitney clarified that the position that is split with DMG is the business development position. There is an agreement with DMG related to the Physician Outreach position that was put in place a year or so ago. DMG has a Physician Director who partners with the staff director, so DMG has donated part of his time to the project.

Chairman Gerard clarified she was referring to the Physician Outreach position that has had a bit of turnover and at one point, a physician may have been in the position. The position was responsible for outreach.

Mr. Whitney stated the Physician Outreach Director that has been in place for a little over a year has turned over two individuals during that time. Neither of these individuals was a physician.

Chairman Gerard stated DMG had a position who was supposed to be talking to other practice groups about bringing or referring their patients to MIHS.

Ms. Bayless believed Chairman Gerard might be referring to Dr. Brodkin from DMG who works with MIHS’s Physician Outreach person.

Mr. Whitney pointed out DMG donates part of this position’s time to the project.

Director Harden questioned whether the operating room call program was going to be a pilot program.

Mr. Vanaskie stated it will be a pilot program and is scheduled to start in six months.

Chairman Gerard asked if the Finance Department would be coming back with new numbers to decrease the budget by Friday or if they were going to recommend that the difference be made up by dipping into cash reserves.

Ms. Bayless stated they will know more after the call with AHCCCS and will review the budget, look at anything else that can be done or eliminated and then determine the most responsible course, moving forward.

Chairman Gerard suggested they look at what can be postponed or eliminated.

Ms. Bayless indicated they could do this.

Chairman Gerard stated if there are still a lot of questions as to what is going to happen then she would prefer the Board delay voting until July 8 or whatever the drop-dead deadline is for the tax levy. The budget can be adjusted during the year depending on what is happening but the tax levy cannot be changed once the Board adopts it.

Chairman Gerard asked Ms. Talbot if she would verify what the tax levy filing deadline was and Ms. Talbot indicated she would.

Ms. Bayless reiterated that her staff was available to answer any questions regarding the budget over the next few days and up until the Board meets again.
5. Discuss, Review, and Approve a Board Resolution and Declaration of Official Intent Between Maricopa County Special Health Care District and Banc of America Capital Corporation for the Funding of 55 IT Infrastructure Hardware System Units in the Amount of $3,750,000.00.

Mr. Ayres explained this was a request to lease the hardware for the Kronos and EAP projects that the Board approved previously. Senior administration would prefer to lease them for five years rather than using cash. The annual cost is included in the budget.

Chairman Gerard asked if the total cost was $3.75 million or if that was the cost of the yearly lease.

Mr. Ayres stated it is the total lease cost, over five years.

Chairman Gerard commented that the expenditure per year would be a much smaller number and Mr. Ayres agreed.

Chairman Gerard asked if the hardware could be returned when it is outdated.

Mr. Ayres stated MIHS can return it, buy it, or proceed with other options at the end of the lease.

MOTION: Director Dewane moved to approve a Board Resolution and Declaration of Official Intent between Maricopa County Special Health Care District and Banc of America Capital Corporation for the funding of 55 IT Infrastructure Hardware System Units in the amount of $3,750,000.00. Director Harden seconded. Motion passed by voice vote.

6. Approve a new Construction Manager at Risk (CMAR) contract (90-13-182-1) between Guthrie General Inc. and Maricopa County Special Health Care District dba Maricopa Integrated Health System with a Not-to-Exceed (NTE) of $2 million; Approve Acquisition of two Magnetic Resonance Imaging units, with a total cost of $3,162,000

Mr. Vanaskie explained this item is to approve two things. The first is the acquisition of two brand new MRI units. One would be a 3 Tesla unit and the other would be 1.5 Tesla unit. The acquisition cost is $3,162,000. The second item being requested for Board approval is a Construction Manager at Risk (CMAR) contract with Guthrie General Inc., to construct the necessary facilities to house the MRI units. MIHS currently has one in-house MRI unit and a second MRI unit being utilized on a daily basis. In addition, MIHS currently sends out about 100 MRI procedures each month.

Director Harden asked if the MRI units were going to be purchased or leased.

Ms. Hernandez-Ojeda indicated they would be purchased.

Mr. Ayres expanded originally the dollars were tied into the potential short-term strategic borrowing of $40 million. The question regarding whether to lease or purchase is a function of how this works out. If there is no action taken on the strategic buying it will become a purchase and the option of leasing it needs to be discussed, since cash would be used. If the strategic borrowing is approved then it becomes part of that overall package.

Director Dewane asked Mr. Ayers if MIHS was planning on floating a $40 million certificate of participation with a private placement.

Mr. Ayers indicated this was correct and they would be presenting this to the Board at its next formal meeting.

Director Dewane asked if it was a ten-year commitment and Mr. Ayres indicated it was.

Chairman Gerard asked why the Board was considering the item at the current time.
General Session Presentation, Discussion and Action (cont.):

6. Approve a new Construction Manager at Risk (CMAR) contract (90-13-182-1) between Guthrie General Inc. and Maricopa County Special Health Care District dba Maricopa Integrated Health System with a Not-to-Exceed (NTE) of $2 million; Approve Acquisition of two Magnetic Resonance Imaging units, with a total cost of $3,162,000 (cont.):

Mr. Ayres stated they need to proceed with construction and remove the trailers in order to treat patients.

Mr. Vanaskie stated 100 procedures per month are being sent out.

Chairman Gerard commented after having just gone through a facilities assessment it brings to mind whether the new machines are being placed in the right location. She commented it appears the new machines would be going in a separate building.

Mr. Vanaskie explained the new machines would be going in a separate building. They will be placed in perhaps, the only possible area so they are appropriate to the radiology department and other services, as necessary. The ground floor should all be for diagnostic and patient treatment. The ED, OR and Radiology are all on the first floor. We also have a new Cath Lab and new Interventional Radiology Lab on the north side of the main facility. The new MRI units will go in the space which is next to the Interventional Radiology suite. The hope is to be able to construct a common space.

Director Harden asked how old the current MRI machine was.

Mr. Vanaskie stated it was twelve years old.

Director Harden commented that MIHS would be able to get rid of the trailer that is outside and it will also capture the 100 patients per month currently sent elsewhere for MRI services.

Mr. Vanaskie stated the trailer savings is about $40,000 to $45,000 per month and consideration by the Board was moved up from the August Board meeting in order to save the lease cost. The budgeted plan is not to have the lease cost after January. If senior administration is able to move forward now, then the new machines should be up and running by then.

Chairman Gerard reiterated that the concept had already been approved by the Board previously so the consideration today was just technical.

Director Dewane asked if the CMAR is exposed to liquidating damages, i.e., if they do not meet the construction timeframe are monies paid to the client?

Mr. Maness stated the GMP calls for the construction manager to stay within a $2 million dollar amount.

Director Dewane asked if that was the CMAR’s risk and Mr. Maness confirmed it was.

Mr. Vanaskie clarified the damages are not liquidated and that the CMAR is just at risk.

MOTION: Director Dewane moved to approve a new Construction Manager at Risk contract between Guthrie General and Maricopa County Special Health Care District dba Maricopa Integrated Health System Not-to-Exceed $2 million. Director Harden seconded. Motion passed by voice vote.

MOTION: Director Harden moved to acquire two Magnetic Resonance Imaging units, with a total cost of $3,162,000 for our radiology department. Vice Chairman Bicknell seconded. Motion passed by voice vote.
7. Discuss and Approve the Intergovernmental Agreement (IGA) between AHCCCS and the Maricopa County Special Health Care District regarding the District’s contribution to AHCCCS of the non-federal share of the Fiscal Year 2013 District Graduate Medical Education (GME) payments

Mr. Ayres explained this was an IGA between AHCCCS and the District allowing for funding of the GME expenses. The funds involved are MIHS fronting $11,881 million and then within 10 days AHCCCS will pay MIHS $34.9 million. This is a routine transaction.

MOTION: Vice Chairman Bicknell moved to approve the Intergovernmental Agreement between AHCCCS and the Maricopa County Special Health Care District regarding the District’s contribution to AHCCCS of the non-federal share of the Fiscal Year 2013 District Graduate Medical Education (GME) payments. Director Harden seconded. Motion passed by voice vote.

9. Concluding Items
   a. Future Agenda Item/Report Calendar
   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 Harden asked that review of the Authority Matrix be placed on a future agenda.

Chairman Gerard suggested Ms. Talbot provide copies of the matrix to the Board so they can review it. She believed there might be some differences amongst Board members regarding whether to remove or add things to the Board’s plate and her preference is to remove items. The Board does not have time to talk policy and strategy and has to find ways to allow management to deal with many of these things. It involves more than just an authority matrix; relationships have to be worked on and everyone needs to be comfortable with it.

Chairman Gerard asked what the status of the Employee Satisfaction Survey was.

Mr. Vanaskie replied it is a matter of scheduling the consultant to do the presentation.

Ms. Talbot stated she had email exchanges with Mr. Marshall Jones, Vice President of Human Resources, and due to some scheduling conflicts the results of the survey will be scheduled on the Board’s next formal agenda. Members of Mr. Jones’ team will present the information to the Board at that time.

Ms. Bayless shared videos to share with the Board. The first was a local story about a blind man who was trapped by fire in his two-story townhouse. He was rescued by a neighbor and recovered at the Arizona Burn Center. The next clip was a You Tube video that MIHS produced for the Arizona Burn Center marketing campaign. It features burn survivor Stephanie Nielson. She is now living in Utah and while she was in town recently, agreed to shoot a commercial for the Burn Center. It will be featured on the MIHS webpages and also in social media.

Adjourn

MOTION: Vice Chairman Bicknell moved to adjourn the June 26, 2013 Special Health Care District Board of Directors Formal Meeting. Director Harden seconded. Motion passed by voice vote.
Meeting adjourned at 3:57 p.m.

Susan Gerard, Chair
Special Health Care District
Board of Directors