

**MIAMI-DADE COUNTY  
FINAL OFFICIAL MINUTES  
Miami-Dade County and the Public Health Trust  
Management Team  
Sunshine Meeting**

**Office of the Mayor**  
Stephen P. Clark Government Center  
29<sup>th</sup> Floor Conference Room  
111 N.W. First Street  
Miami, Florida 33128

June 3, 2010  
As Advertised

Harvey Ruvlin, Clerk  
Board of County Commissioners

Diane Collins, Acting Division Chief  
Clerk of the Board Division

Judy Marsh, Commission Reporter  
(305) 375-1967



**SUNSHINE MEETING RE: MIAMI-DADE COUNTY AND THE PUBLIC  
HEALTH TRUST MANAGEMENT TEAM  
JUNE 3, 2010**

A Sunshine meeting between Miami-Dade County and the Public Health Trust (Trust) Management Team regarding Jackson Health System's (Jackson) operational, budgetary and financial matters was held in the 29<sup>th</sup> Floor Conference Room, Stephen P. Clark Center, 111 N.W. First Street, Miami-Dade County, Florida, at 10:30 a.m. on June 3, 2010. Present were: Miami-Dade County Mayor Carlos Alvarez; County Manager George M. Burgess; Assistant County Manager Alina Hudak; Ms. Victoria Mallette, Director of Communications, Office of the Mayor; Dr. Eneida O. Roldan, President and Chief Executive Officer, Jackson Health System; Mr. John H. Copeland, III, Chairman, Public Health Trust; Mr. Ed O'Dell, Corporate Director, Public Relations and Public Affairs; Jackson Health System; Ms. Barbara Ronda, Corporate Director of Planning and Program Integration, Jackson Health System; Ms. Martha Baker, President, Service Employees International Union (SEIU); Ms. Jennifer LaMont, SEIU; and Deputy Clerk Judy Marsh.

County Manager Burgess said Jackson's cash issues for this year and its budget issues for next year were consistent with information obtained in prior meetings. He noted the County Administration would continue working with the Trust to develop concrete measures of continued progress through the end of the fiscal and calendar years.

Regarding the Pricewaterhouse Coopers (PwC) contract, County Manager Burgess said the members of the County Administration and the Trust worked to provide constructive feedback to refine the contract. He noted Trust Administration and PwC defined the scope and developed a measurable, less nebulous contract which had more concrete deliverables. Mr. Burgess said he believed all parties proceeded expeditiously and the PwC contract voted on by the Trust's Executive Committee yesterday (6/2) was a significantly improved version. He noted the \$9.9 million contract comprised three different work areas and included significant revenue cycle and strategic sourcing.

Mayor Alvarez referenced an article in today's (6/3) edition of The Miami Herald stating that the County wasted seven weeks on the PwC contract. He said this statement was inappropriate, and it was never his intent to obstruct or delay the process. Mayor Alvarez noted each meeting between County and Trust Administrations resulted in methods to improve this contract. He noted that he felt a sense of urgency, especially in initial discussions regarding Jackson's cash flow, and his goal was to ensure the best possible contract was approved. Mayor Alvarez said he believed the final contract was a significant improvement over the initial contract.

Mr. Copeland noted the majority of the Trust Board members also believed the final contract was an improvement.

County Manager Burgess noted Mayor Alvarez directed County Administration to do everything they could to obtain an acceptable contract and to expedite the process. He said each modification was accomplished within 24 hours. Mr. Burgess suggested Mr. Copeland or Dr. Roldan convey to the Trust Board that both the County and the Trust Administrations were working together constructively.

Dr. Roldan concurred with County Manager Burgess, noting members of the County Administration and the Trust worked collaboratively on the PwC contract for seven weeks.

County Manager Burgess noted it was a pleasure working with Mr. Copeland, Dr. Roldan and her staff.

Dr. Roldan said the PwC contract included many safeguards to protect the Trust and the County in terms of expenditures and measurable deliverables. She noted the deliverables would be closely monitored.

Ms. Baker confirmed that the final contract was an improved version; however, she believed it should have been advertised for bids. She noted the contract reflected \$69.8 million receivables for Jackson in Fiscal Year (FY) 2010, while Jackson's documents reflected a lesser amount, \$39 million. Ms. Baker said of the \$69.8 million, \$25 million was already achieved, and the remaining \$44 million was in progress.

Dr. Roldan suggested Jackson's Interim Chief Financial Officer Ted Shaw and The Sibery Group's Chief Financial Officer Duane Fitch discuss Ms. Baker's concerns. She noted that according to Mr. Shaw, only \$10 million of the \$30 million was jeopardized; whereas the remainder would not be a loss once assistance from PwC became available.

Mr. Copeland noted Jackson was relying on staff to realize funds from the Cash Plan, independent of the funds to be realized by PwC. He noted Jackson estimated in April 2010 that \$69.8 million would be recovered with PwC's assistance, incremental from staff's efforts. Mr. Copeland said due to the delay in contract negotiations, the original \$69.8 million estimate was discounted to \$30 million. He noted he did not believe Jackson would receive \$10 million of the \$30 million but would eventually receive the remaining \$20 million and Jackson's Administration would try to accelerate receipt of this amount.

Ms. Baker questioned why consultants were being hired to perform services that could be performed by in-house employees. She expressed concern that PwC would be taking credit for savings identified by Chamberlin Edmonds.

Dr. Roldan noted Jackson Administration would clarify the revenue streams.

Mr. Copeland noted the PwC contract was thoroughly evaluated by the County Administration and the Trust and appropriate safeguards and precautions were incorporated.

Responding to Ms. Baker's comment regarding the inconsistency in the estimated amounts, Mr. Copeland said the \$30 million was a more recent update and the \$69.8 million was based on the original report.

Dr. Roldan noted these questions would be addressed at the Trust's Ad Hoc Committee, and the numbers would be reassessed weekly.

In response to Mayor Alvarez' inquiry regarding personnel vacancies, Dr. Roldan said the Chief Medical Officer's position was filled as of June 1, 2010; a search was underway to fill the Chief Nursing Officer position and additional candidates would be considered; a pool of candidates for the Human Resources position was selected and a Search Committee would be established; and a search was underway for a permanent Chief Financial Officer (CFO). She noted an interim CFO was appointed and was hopeful that a permanent CFO would be selected this summer.

Dr. Roldan advised that the Securities and Exchange Commission's (SEC) investigation was underway. She noted Jackson was granted an extension until June 8, 2010 to provide requested documentation and thousands of electronic and paper documents had already been submitted weekly to the SEC. Dr. Roldan said she did not anticipate requesting another extension.

Assistant County Manager Hudak said the County Administration had assigned staff member(s) from the Fire Department, Corrections Department and Finance Department to provide Jackson with assistance in the documentation process.

Dr. Roldan noted staff was examining each file to ensure that no private patient identifier was being submitted to the SEC.

County Manager Burgess said he would provide an update to the County Commission today (6/3) regarding Jackson's progress. He noted this was a long journey and everyone needed to work together.

Mayor Alvarez inquired about County personnel who were assigned to Jackson and Dr. Roldan responded that they were working very well. She noted these individuals were working with Jackson's finance, budget, and operations departments, and she met with them weekly. Dr. Roldan said The Sibery Group was also part of the team and would be presenting their findings at the June 8, 2010 Trust Committee meeting, and she would be meeting with them on Monday, June 1, 2010.

County Manager Burgess said he believed the County Administration needed to work closely with Jackson's Administration on next year's budget. He noted the immediate critical issue, next to cash, was seeing Jackson's FY 2010-11 budget materializing with solid revenue and expenditure assumptions. Mr. Burgess said Jackson had projected approximately \$187 million in improvements and revenues, assuming a 70 percent implementation rate for PwC initiatives. He noted Administration needed to closely

observe how these initiatives were being implemented as Jackson addressed longer term issues.

Mr. Copeland noted the implemented initiatives that were part of the Cash Sustainability Plan were at 90 percent and new initiatives were calculated at 50 percent.

Assistant County Manager Hudak noted County Administration was concerned that the numbers were validated, and wanted to understand the reality of the budget assumptions.

Dr. Roldan said the trend in Jackson's volume was similar to national levels which reflected less inpatient care; more outpatient care and the deterioration of payor mix. She noted there would be more self-paid patients, which represented bad debt, and an increase in charity care. Dr. Roldan said it would be worse on the bad debt end since this represented Emergency Room visits for unemployed patients who could not afford the Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage. She said this assumption and a decrease in the ad valorem tax revenues was included in the budget.

Assistant County Manager Hudak noted an item was on today's (6/3) County Commission agenda awarding the State consulting contract for lobbying and questions were raised regarding Dr. Roldan's interest in participating in this contract rather than Jackson's contracts. She suggested a representative from Jackson be available to address this issue at the Commission meeting.

Dr. Roldan noted a representative would be available to respond to questions regarding the contract and either she or another representative would be present when County Manager Burgess provided his report on Jackson.

In response to Dr. Roldan's inquiry regarding Jackson's lease agreement with the University of Miami, Assistant County Manager Hudak noted this lease would be considered by the County Commission's Health, Public Safety and Intergovernmental Committee on June 10, 2010.

Dr. Roldan noted operations representatives would be present to respond to any questions regarding the lease agreement.

Responding to Ms. Baker's inquiry regarding the five-percent contribution from Jackson's management, Dr. Roldan said documentation would be provided to Ms. Baker on Tuesday, June 8, 2010. She noted the Management Team had taken a significant pay cut in the summer and all Executive packages were submitted.

Mr. Copeland said timelines and milestones for Jackson's financial progress needed to be defined. He noted the tracking portion would probably continue in some format and he requested the Ad Hoc Committee members provide him with an idea of how they wanted to sunset themselves back into the normal Trust structure. Mr. Copeland said the first phase was to achieve a sustainable budget and then the monitoring phase would begin.

County Manager Burgess noted the County Administration would continue monitoring Jackson's progress and any potential issues would be flagged.

Mayor Alvarez inquired whether there were any issues in the immediate future that he needed to be aware of.

In response to Mayor Alvarez, Dr. Roldan said Jackson's Administration was closely tracking its census, which represented dollars. She noted Jackson's census had decreased which was a national concern for non-profit, for-profit and academic medical centers.

Mr. Copeland noted Jackson remained in a state of urgency in terms financial sustainability issues.

Assistant County Manager Hudak noted the Request for Proposal (RFP) for inmate medical care was further delayed and asked whether Dr. Roldan was aware of the status. She noted the vendor community was questioning this RFP.

Dr. Roldan noted she had not received a response regarding this RFP.

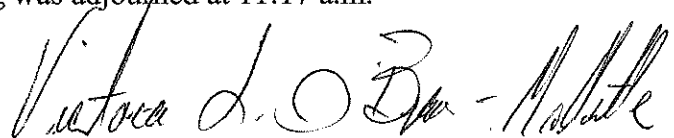
County Manager Burgess noted he believed opportunities existed for real savings within this RFP.

County Manager Burgess noted revenues, expenses, and the cost of doing business were all issues relating Jackson's operations. He noted a projected year-end cash balance of approximately \$140 million and a balanced budget for next year. Mr. Burgess said County Administration was seeking to address the day-to-day business processes and the long term sustainability of Jackson in a difficult environment, given the economy and evolution of healthcare reform. He pointed out that as these issues were being addressed, the quality of healthcare provided to Jackson patients had not degraded.

Mr. Copeland concurred with County Manager Burgess. He noted Jackson was still delivering quality healthcare and employees were still working hard despite the five-percent pay cut.

Assistant County Manager Hudak requested and Dr. Roldan concurred that she would brief Mayor Alvarez on the impact of healthcare reform on Jackson at the next bi-weekly meeting.

There being no further business, the meeting was adjourned at 11:17 a.m.



Miami-Dade County Mayor Carlos Alvarez  
or his Designee