



**MIAMI-DADE COUNTY
FINAL OFFICIAL MINUTES
Miami-Dade County Hospital Governance
Taskforce (HGT) Town Hall Meeting**

Board of County Commissioners

Victor Wilde Center
1701 West 53rd Terrace
Miami, Florida 33012

July 27, 2011
As Advertised

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**CLERK'S FINAL OFFICAL MEETING MINUTES
GOVERNANCE TASK FORCE TOWN HALL MEETING
JULY 27, 2011**

Miami-Dade County Commissioner Esteban Bovo (District 13) convened a Town Hall Meeting at the Victor Wilde Center, 1701 West 53rd Terrace, Hialeah, on Wednesday, July 27, 2011, at 6:30 p.m. There being present Board of County Commissioners Bovo and Jose "Pepe" Diaz.

The following staff members were present: Assistant County Attorneys Eugene Shy, Laura Llorente, and Karon Coleman; Commission Auditor Charles Anderson; and Office of the Commission Auditor staff members Robert Marksmeier and S. Donna Palmer; Jorge Forte, Chief of Staff District 13; and Deputy Clerk Zorana Gainer.

Senator Rene Garcia, Representative Juan Carlos Zapata, and Assistant State Attorney Paul Silverman were also present at tonight's (7/27) meeting.

Commissioner Bovo called the meeting to order at 6:42 p.m.

I. Opening Remarks/Hearing Rules

Commissioner Bovo welcomed and expressed appreciation to everyone for attending tonight's meeting. He noted this meeting was one of a series of meetings being held throughout the County to obtain public input and feedback regarding the Health Care Governance Task Force recommendations regarding Jackson Memorial Hospital. He noted these meeting were coordinated by Commissioner Diaz in an effort to keep the citizens of this community informed. Commissioner Bovo recognized Senator Rene Garcia and City of Hialeah Council member Paul Hernandez.

Commissioner Bovo noted that Jackson Memorial Hospital (JMH) was one of the most important entities in the community and over the last couple years, the management and oversight of the hospital had been questioned. He noted that, in his opinion, it was better to allow JMH's administrative staff together with the employees to craft proposals to keep the hospital viable.

Commissioner Diaz also welcomed everyone to tonight's meeting. He pointed out that many constituents attending the meeting only spoke and understood Spanish. He said he would translate for non-English speaking participants to ensure that everyone understood what was being said. Commissioner Diaz emphasized the importance of this meeting to obtain the input of residents regarding JMH, and noted all questions and suggestions from each individual were important in this process and would be included as a part of the record.

Commissioner Diaz introduced Commission Auditor Charles Anderson and noted Mr. Anderson would provide an overview of the 18 recommendations forwarded by the Hospital Governance Task Force (HGTF), followed by a question and answer session.

II. Presentation of eighteen (18) Taskforce Recommendations

Mr. Charles Anderson, Commission Auditor, provided an overview of the HGTF Recommendations, simultaneously with a Power Point Presentation, which was presented by the Board of County Commissioner's (Commission) Senior Auditor, Mr. Robert Marksmeier. Mr. Anderson noted that on January 20, 2011, the Commission approved Resolution No. 30-11, establishing the Hospital Governance Task Force to study and report of possible models for operating the Public Health Trust and to ensure the governing and financial structure would enable to Trust to fulfill its mission. The Taskforce consisted of 20 members appointed by individuals or organizations designated in the resolution, Mr. Anderson noted. He also noted the HGTF met during the months of March, April, and May; and the final report, which was published May 12, 2011, included the following 18 recommendations:

» Mission

1. Set forth a clearly stated mission statement and vision for the health care system that reaffirms Jackson Health System's roles as a safety net hospital, academic teaching hospital, and integrated healthcare system with multiple academic relationships.

» Board Composition

2. Nine members, with five initial appointments made by the mayor and four initial appointments made by the Board of County Commissioners. The members shall serve staggered three year terms with a three term limit: three shall be appointed for three-year terms, three for two-year terms, and three for one-year terms, with duration of initial terms determined by lottery. For subsequent appointments, the not for profit corporation board will nominate and elect its own membership.
3. The Taskforce recommends the initial board of directors be comprised of at least one physician, one lawyer, two CFOs/CPAs, and one insurance executive preferably with actuarial experience. The remainder shall be made up of members with extensive background and expertise in such fields as healthcare executive management, general business, nursing, labor relations, and/or community relations/community affairs.
4. We urge inclusion of diversity in the governing body.
5. The new governing board shall have the power to appoint non-voting ex officio members at its sole discretion.

» Ethics

6. The governing board shall reflect and embrace a rigorous conflict of interest policy which includes a heightened standard, eliminating both the perception of as well as any actual conflict of interest for board members. Board members shall have no conflicts of interest for one year before or after serving, personally or as stakeholders, in the outcome of their decisions. The governing body's sole interest should be the future of Jackson Health System. The immediate family of a member of the board of Jackson Health System, and organization in which the immediate family is employed, has control of, or has a material interest in, shall not be engaged to do business with or provide services to Jackson Health System. The immediate family of a member of the board shall not be employed in a management capacity as a director or above at Jackson Health System. Additionally, the immediate family of the member of the board shall not be employed as senior management, have control of, or have a material interest in an organization that competes with Jackson Health System. Board member training shall include ethics training. This heightened standard applies to both the initial and future boards.

» Legal Structure and Governance

7. Establish a new not for profit corporation to manage and operate Jackson Health System, reserving to the County only certain enumerated powers described herein or otherwise provided by law.
8. Provide sovereign immunity. Every effort should be made to structure the not for profit corporation in such a way so as to preserve the applicability of the sovereign immunity statute, including pursuing legislative changes.
9. Concurrently with creation of this new not for profit corporation, the Taskforce recommends creating a Public Health Advisory Committee to ensure accountability on the use of unique public funds (1/2 penny surtax funds; ad valorem/general fund support, etc.); and to ensure that the safety net mission is being met. It will offer recommendations to the Mayor and Board of County Commissioners (BCC) on improving access, quality and coordination of countywide public health.
10. The Jackson Health System auditor shall be required to annually provide certification and explanation that all ad valorem/general fund support and surtax revenues that are received are used for the purposes for which they were legally intended.

11. Ensure Jackson Health System remains eligible for Disproportionate Share Hospital (DSH) funding.

» Authorities and Responsibilities Retained by the Board of County Commissioners

12. Retain ownership and be responsible for the maintenance of the real property currently owned by the County and used by Jackson Health System.

13. Retain the responsibility for approval of any sale, transfer, destruction, replacement, abandonment, or related disposition of currently-owned real property as referred to in paragraph 12.

14. To the extent possible, retain the responsibility for approval of any issuance of capital bonds under the authority of the County requested by Jackson Health System.

» Authorities and Responsibilities Reserved to Health System Governing Board

15. All other authority and responsibility not specifically reserved to the County shall be exercised by the governing board including but not limited to:

- Hire, fire, evaluate, and set compensation of the health system's CEO;
- Establish by-laws;
- Make decisions regarding human resources, purchasing, growth or reduction decisions of medical services, contracts and payments to academic institutions, etc.;
- Develop and establish policies;
- Conduct long range strategic planning;
- Approve pay and compensation policies for its executive team and policies for employed physicians and employees;
- Meet all local, state and national standards governing hospitals and health systems;
- Annually, provide to the Mayor and BCC audited financial reports and an annual report on the operations and services of Jackson Health System with particular emphasis on care, quality and services provided to indigent residents of Miami-Dade County;
- Approve the health systems operating, capital equipment and facilities budgets;
- Develop and enter into affiliation agreements with academic and other organizations necessary to carry out the mission of the health system; and
- Approve labor and collective bargaining agreements.

» Culture

16. Quoting from a recent study by the Health Research & Educational Trust in partnership with the American Hospital Association. Adapting this study's findings to Jackson health System's situation, the Taskforce recommendation is that the governing body shall focus on continuous improvement, driving towards dramatic improvement or perfection versus incremental change, emphasizing patient-centeredness, adopting a philosophy that embraces both internal and external transparency, which include such things as performance, efficiency, innovation, and having a clear set of defined values expectations that form the basis for accountability for results, innovation, strategic vision, sustaining the mission and values.

» Implementation

17. We urge that an aggressive timetable be set to implement the recommendations of this Taskforce and that it be done with a sense of urgency.
18. An implementation committee, with the qualifications, composition and autonomy of the proposed not for profit corporation board, should be formed under the County Code and funded to perform the work necessary for the implementation of the new governance model. The implementation committee will then become the board for governance of Jackson Health System. The formation of this implementation committee should be immediate and can operate concurrently with the FRB. It is our intent that the FRB sunset as soon as possible and that the implementation committee will then become the board for governance of Jackson Health System, assuming all the authorities and responsibilities of governance.

Following Mr. Anderson's presentation, Commissioner Diaz opened the floor to the public for questions and comments.

III. Questions and Answers

Ms. Martha Baker, RN, President, SEIU Healthcare Florida Local 1991, expressed concerns regarding operational inefficiencies at JMH. She noted she and other JMH employees wrote the original letters requesting the Grand Jury investigation. She further noted the Grand Jury Report identified the operational inefficiencies, yet recommended a governance change as the solution. Ms. Baker noted that she was on the Hospital Governance Committee and tried to convince other members to focus on the operational problems rather than the governance of the hospital. She pointed out that the recommendations included a smaller board composition and enhanced ethics, which she agreed with; however, she disagreed with the recommendation to privatize JMH. Ms. Baker noted that she recommended leaving JMH as a public not-for-profit entity.

Ms. Omaida Hernandez, Resident, noted that JMH received approximately \$350 million for indigent care; however, approximately \$780 million of indigent care was actually received. She inquired what would happen with the indigent people who could no longer receive treatment at JMH.

Commissioner Diaz responded to Ms. Hernandez's concerns by noting that studies would be conducted to determine the feasibility of operating JMH as a 501(C) 3 Corporation.

Expounding on Commissioner Diaz' comments, Assistant State Attorney Paul Silverman explained that the relationship between the County and JMH would always exist because the County would continue to fund the hospital whether it was operated by a not-for-profit or private entity. Mr. Silverman explained that JMH was funded by the half penny sales tax and the ad valorem funds. In addition, he noted JMH was contractually obligated to provide indigent care.

Commissioner Diaz pointed out that the relationship between JMH and Miami-Dade County was a symbiotic relationship and there were many different suggestions to fix the problems at JMH. He noted the purpose of the Town Hall meetings was to get everyone's input, and he and staff were available to listen to everyone's support and opposition to the HGTF's recommendations. He clarified; however, that he could not go on the record saying exactly what would be done to solve the problems at JMH, and noted he did not support the recommendation to privatize JMH, and that the hospital would not be privatized under his watch.

Ms. Zulema Salcedo, 220 West 68th Street Apt 206, Hialeah, noted she was employed by the City of Hialeah employee, and that she was opposed to the recommendation to privatize JMH. She suggested everyone participate in resolving the problems at JMH by donating \$1 each. Ms. Salcedo noted considering the economic downturn, the people earning the least money would be hurt the most.

Ms. Cecilia Horitz (phonetic) 1544 East 4th Avenue, Hialeah, noted that she was a local small business owner and that her business was not doing very well. Ms. Horitz pointed out that she was having a medical problem with her legs and she had not received any medical treatment because she could not afford medical insurance for her or her family. Ms. Horitz stated that the community needed JMH for the people who were unable to afford medical insurance.

Senator Rene Garcia expressed appreciation to Commissioners Bovo and Diaz for organizing this meeting. He noted he had been involved in healthcare for many years and drastic changes in healthcare governance were occurring nationwide. Senator Garcia noted although he supported the proposal to change the governance of JMH, he believed it was critical to remove the politics and to allow trained professionals to operate and administer the hospital. He noted that he had faith in the management team currently in place at JMH. Senator Garcia expressed concern regarding possibility of creating yet

another layer of bureaucracy. He questioned how creating another committee (Public Health Advisory Committee) would work in relation to the Executive team and the BCC.

In response, Commissioner Diaz noted that the relationship between JMH and the recommended committees depended upon the different input, recommendations, and suggestions received from the public, and the action the County Commission decided to take regarding these issues. He reiterated that it was the County Commissions responsibility and they could not be removed from the equation.

Expounding on Commissioner Diaz' comments, Assistant State Attorney Silverman noted that the County Commission might need to revise statutes, with respect to Sovereign Immunity, the half penny and Ad Valorem taxes, in an effort to retain these elements for the new entity. He noted that the Implementation Committee would conduct the necessary work and establish the basis of the first board of directors of the new entity. Assistant State Attorney Silverman pointed out that the creation of a Public Health Advisory Committee would constitute a new layer, but it would create a mechanism to expedite the process.

Commissioner Diaz welcomed Representative Juan Carlos Zapata, Chairman of the HGTF.

Senator Garcia suggested that the County Commission limit the layers of bureaucracy and administration, repair the governance structure, and ensure competent professionals were available at JMH. He also suggested that the County Commission review successful hospital models across the country.

State Attorney Silverman pointed out that one HGTF charges was to reduce the layers of bureaucracy.

Representative Zapata noted that the HGFT also reviewed successful hospitals around the country. He pointed out that the crisis JMH was facing was not unique to this community; that other public hospitals around the country have been facing similar crises for the past 10 to 15 years. He referred to a Kaiser study that investigated public hospitals and the transitions they faced. He pointed out that Truman Center of Kansas City, Missouri and Boston's public hospitals were successful using a not-for-profit structure. He added that these hospitals created accountability committees that did not govern, but provided a forum for people to voice complaints and ensured taxpayer's dollars were used properly. Representative Zapata noted that although the hospital was a not-for-profit entity, safeguards must be in place. He noted the HGTF members wanted to create a 100 percent accountable governance structure; a not-for-profit governing body that was 100 percent responsible for governing JMH within the perimeters established by the County Commission.

Representative Zapata addressed concerns that the report was not detailed enough, and pointed out that it was not intended to be detailed because the County Commission would make the final decision and would fill in the details. He indicated this report was simply

a guide on how to proceed, adding that due to the evolution of healthcare and the way it was funded, flexibility was necessary. Representative Zapata noted other important components that needed to be tweaked before transferring JMH to a not-for-profit structure included Sovereign Immunity, the Half Penny Tax, and the Sunshine Law requirements. He pointed out that this was not privatization.

Senator Garcia expressed concern regarding recommendation #13, concerning retention and responsibility of County-owned real property. He noted he supported this recommendation, but believed all County-owned property needed to be protected at all cost because this was a public asset.

Mr. Julio Diaz, 333 West 41st Street, Hialeah, expressed concern that a translator was not present at this meeting. He noted he was at the meeting with the group, 1 Miami, a coalition of community organizations and faith-based groups from all over the county. He noted this was very important dialogue and expressed appreciation to commissioners and staff; however, many of the attendees had language barriers and were unable to participate in the dialogue. Mr. Diaz suggested that a translator be provided at future meetings for Spanish and Creole speaking residents.

Commissioner Diaz noted that a Spanish and Creole translator would attend subsequent meetings.

Mr. Juan Para, a resident, via translation by Commissioner Diaz, also expressed concern that a translator was not present. He noted that JMH was extremely important for the less fortunate and asked that the County Commission be vigilant about sustaining JMH as a public hospital.

Commissioner Bovo advised participants that the minutes for this meeting would be available in English and Spanish.

Mr. Miguel Hoyos, 2790 South West 26th Street, Hialeah, noted he was a nurse at JMH. He emphasized the importance of sustaining JMH. He questioned whether JMH would become a private not-for-profit corporation as a 501(c) 3.

Assistant State Attorney Silverman responded to Mr. Hoyos' inquiry by explaining that section 501(c) 3 was a portion of the U.S. Internal Revenue Code that allowed for federal tax exemption of nonprofit organizations, specifically those considered public charities, private foundations, or private operating foundations. He further noted that JMH's legal structure, which would be a not-for-profit structure, would work contract with the County.

Mr. Hoyos asked for clarification, noting that earlier Commissioner Diaz stated that JMH would not become a private institution; however, if JMH was changing to a 501(c) 3 entity, it would be private.

Assistant State Attorney Silverman explained that 501(c) 3 statuses could be public or private. He noted that JMH was currently at 501(c) 3 status.

Commissioner Diaz stressed that he wanted everyone to be clear regarding JMH's status and of the variations of the 501(c) 3 status; a private foundation section and a public charity section.

Following further discussion regarding 501(c) 3 status, Assistant County Attorney Eugene Shy was asked to further explain JMH's status.

Assistant County Attorney Shy provided a brief background regarding JMH, noting that many years ago, before the Public Health Trust formed a foundation, JMH filed the appropriate paperwork to become a 501(c)3 and this designation allowed a person to donate funds to JMH and to take a tax deduction regarding this donation.

Speaking on behalf of a citizen, Mr. Jorge Forte, Chief of Staff, District 13, inquired whether the County would no longer own JMH and who would own the hospital if it became a private 501(c) 3.

Commissioner Diaz reiterated that although some people agreed that JMH should be privatized, he was opposed to the privatization of JMH.

Representative Zapata quoted recommendation Nos. 12 and 13, and stated that everyone owned JMH as an entity and that the tangible assets such as the building, equipment etc. would be owned by the County.

Mr. Forte (Dist. 13), on behalf of a citizen, inquired if JMH was privatized whether current JMH employees would remain under the current structure or become private employees.

Representative Zapata explained that in most public hospitals, employees were not employees of the government; that employees may or may not have a labor agreement with the governing entity. He noted that with the proposed governing body, JMH employees would not remain County employees. He further pointed out that all of these things were contingent upon the contract between the County and the governing body of the hospital.

Ms. Alicia Alzuri, 6390 West 22nd Court, Hialeah, via translation by Commissioner Diaz, expressed appreciation to County staff. She expressed concern regarding governmental cuts and JMH staff members losing their jobs.

Mr. Jimmy Herrera, 6950 West 6th Avenue, Hialeah, expressed his concerns that the economic turmoil and the negative media coverage about JMH were unfavorable. He also noted that this meeting had a gross under representation of citizens who utilized JMH and suggested making the community more aware of these meetings. Mr. Herrera also

expressed concern regarding JMH being privatized and inquired about the impact of these changes to the relationship between University of Miami (UM) and JMH.

Commissioner Diaz responded to Mr. Herrera noting the County Commission was JMH's strongest ally. He stated that although he heard many people in the community speak negatively about JMH, he nor his colleagues had ever provided the media with any negative publicity about JMH. He noted that the meeting was properly advertised and it was unfortunate that the community was under represented at this meeting. Commissioner Diaz noted that this was the Commission's effort to be as transparent as possible and that was the reason for these types of meetings.

Responding further to Mr. Herrera's comments, State Attorney Silverman explained that, with regard to the UM/JMH relationship, nothing would change. With regard to Mr. Herrera's comments regarding negative publicity, he noted that one of the issues was that the County Commission operated under the Sunshine Law, which stated that when the Commission discussed problems with JMH, they could not discuss these issues behind closed doors. Consequently, the media and everyone else were welcome to attend, and the media would ultimately report the negative viewpoint.

Mr. Pedro Alvarez, resident, via translation by Commissioner Diaz, stated that JMH was for the indigent who needed medical care and that he wanted the County Commission to make sure that the indigent were protected.

Ms. Denise Glass, RN, JMH, noted that JMH was not only the hospital that provides indigent care, but it was the place that other hospitals sent their patients for treatment on a daily basis, either because they were indigent or they did not have wherewithal to treat them. She pointed out that JMH staff not only treated these patients, but saved their lives in many instances. Ms. Glass noted that JMH staff had a different mentality because the working conditions were hard, risky, and the pay was less than that of other hospital employees. Additionally, Ms. Glass noted employees of JMH thrived on caring for patients, saving lives, and enabling them to walk out of the door, whether individual were paying patients or indigent patients. She noted the primary focus of the healthcare professionals at JMH as saving lives—all politics aside.

Mr. Ernesto Borges, 715 West 7th Street, Hialeah, via translation by Commissioner Diaz, noted he was quite uncomfortable that a translator was not present at this meeting because it was important for everyone to follow the meeting. He stated the County Commission needed to make sure that each meeting had a translator. Mr. Borges asked that he be notified of other issues in this type of forum.

Commissioner Diaz expressed appreciation to everyone for attending the meeting and apologized that a translator was not present, noting that future meetings would have Spanish and Creole translators in attendance.

Hearing no further questions or comments, Commissioner Diaz adjourned the meeting at 8:11 p.m.