



**FINAL OFFICIAL  
MEETING MINUTES  
Miami-Dade County Commission District 12  
Town Hall Meeting  
Hospital Governance Taskforce Recommendations**

Jorge Mas Canosa Youth Center  
250 SW 114<sup>th</sup> Avenue  
Sweetwater, Florida

August 04, 2011  
As Advertised

Harvey Ruvlin, Clerk  
Board of County Commissioners

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**CLERK'S FINAL OFFICAL MEETING MINUTES  
HOSPITAL GOVERNANCE TASK FORCE  
TOWN HALL MEETING  
AUGUST 04, 2011**

Miami-Dade County Commissioner Jose "Pepe" Diaz (District 12) convened a Town Hall meeting in the Jorge Mas Canosa Youth Center, 250 SW 114 Avenue, Sweetwater, on Thursday, August 14, 2011, at 6:00 p.m., for the purpose of discussing the Hospital Governance Task Force (HGTF) recommendations. Present were HGTF members Linda Quick, Edward Feller, M.D., Martha Baker; and Alternate Members Assistant State Attorney Paul Silverman (representing HGTF Vice Chairperson Susan L. Dechovitz), and William Donelan (representing HGTF member Donna Shalala).

The following staff members were present: Assistant County Attorneys Eugene Shy, Laura Llorente and Jeffrey Poppel; Commission Auditor Charles Anderson; Office of the Commission Auditor staff members Robert Marksmeier, S. Donna Palmer, and Angie Martinez; Commission Aide for Commission District 12 Raymond George Bush; Interpreter Lilia Matalon; and Deputy Clerk Jill Thornton.

Also present was Juan Carlos (J.C.) Del Valle, Assistant Vice President, Government and Community Relations, University of Miami (UM).

Commissioner Diaz called the meeting to order at 6:25 p.m.

**1. Opening Remarks/Hearing Rules**

Commissioner Diaz welcomed everyone in attendance at tonight's (8/4) meeting. He expressed his appreciation to the City of Sweetwater Officials for use of the Jorge Mas Canosa Youth Center to facilitate this meeting. Commissioner Diaz introduced Commission Auditor Charles Anderson, and noted Mr. Anderson would conduct this meeting. Commissioner Diaz briefly discussed the rules of decorum for the meeting, and noted his objective was to inform the public of the Hospital Governance Task Force's (HGTF's) recommendations, and to obtain public input on them.

Commission Auditor Charles Anderson also welcomed everyone present, and noted that handouts on the HGTF's recommendations and the Jackson Memorial Hospital Public Health Trust's history were available at tonight's meeting in English, Spanish, and Creole.

**2. Presentation of Eighteen (18) Task Force Recommendations**

Commission Auditor Anderson provided an overview of the Hospital Governance Task Force (HGTF) recommendations, using a PowerPoint Presentation. He noted on January 20, 2011, the Board of County Commissioners approved Resolution No. R-30-11, which established the Miami-Dade County HGTF and charged its members to study and report

on possible alternative models for operating Jackson Memorial Hospital Public Health Trust (PHT) to ensure that Jackson had the necessary governing and financial structure to fulfill its mission. He noted the HGTF consisted of 20 members appointed by individuals or organizations that were designated in the resolution. He also noted the Taskforce met during the months of March, April, and May 2011, and published its final report on May 12, 2011, along with the 18 recommendations outlined in this presentation (See attached Exhibit).

Mr. Anderson advised meeting attendees that the complete list of HGTF recommendations, its final report, the Grand Jury Report and other pertinent information were available at [http://www.miamidade.gov/auditor/hospital\\_governance.asp](http://www.miamidade.gov/auditor/hospital_governance.asp).

Commission Auditor Anderson opened the floor for questions and comments.

### **3. Questions and Answers**

Mr. Jorge Romero, 270 SW 87 Avenue, asked what the Hospital Governance Task Force (HGTF's) intentions were regarding keeping Jackson Memorial Hospital (Jackson/JMH) a public entity.

Ms. Quick, HGTF member and President, South Florida Hospital and Healthcare Association, noted the Task Force recommended the County continue to own JMH, but that JMH be governed by a private, not-for-profit, community group. She explained that many public entities nationwide had been more effective when governed and operated as not-for-profit, 501(c)(3) organizations; one example being the South Broward Hospital District D/B/A Memorial Health Care System.

Mr. Romero pointed out that because Jackson was a public entity, it already was a not-for-profit organization that did not earn a profit.

Ms. Quick noted unfortunately, Jackson was not earning profits or a positive margin (revenues in excess of expenditures). She noted the Taskforce's goal was to improve JMH by finding ways for it to earn more revenue. Ms. Quick noted that "profit" was not a dirty word, and many private, tax-exempt institutions had positive margins that enabled them to provide many services. She said Baptist, Mercy and Miami Children's Hospitals were not-for-profit institutions that were successful in earning profits through the governance of a tax-exempt, not-for-profit Boards of Trustees/Directors.

Mr. Romero referenced a *Miami Herald* article that said in fiscal year 2010, Jackson provided approximately \$715 million in charity care and received only \$328 million in funding, creating a \$387 million gap; and it also said that taxpayers paid roughly \$350 annually to Jackson through property taxes and the half-penny sales tax. Mr. Romero commented that Jackson's current issues would not exist if it was compensated for the difference between the \$715 million cost of charity care and the \$350 million received in funding from taxes.

Ms. Quick noted that would depend on how the cost of charity care and the income from taxes were calculated. She said the gap between the amount of charity care that Jackson provided, and the funding it received from the County needed to be reduced in order to make Jackson successful. She said one way to accomplish this was to establish a not-for-profit organization to govern Jackson, because a not-for-profit organization could seek sources of funding other than County funds.

Mr. Romero noted the \$350 million gap between charity care and county funding represented a significant amount of care that could be provided to needy patients.

Ms. Quick noted Jackson's accounting system was inadequate to verify whether \$350 million was the correct amount of Jackson's income-revenue gap; whether the gap represented charges or costs; or what Jackson's expenditures in excess of revenue were used for. She said this missing accounting data would help to correct Jackson's funding issue.

Mr. Romero asked why the Task Force did not want to wait to receive the missing accounting data prior to making its recommendations, in order to make an intelligent decision on how to fix Jackson's funding gap.

Ms. Quick noted she believed that if a private, not-for-profit organization was established to govern Jackson, it would be able to make that intelligent decision; inasmuch as the entity that governed Jackson for the past 17 years was unsuccessful in preventing or eliminating Jackson's funding gap.

Mr. Romero noted he believed that JMH's indigent patients would stop receiving care if a not-for-profit 501(c)(3) organization became JMH's governing body. He said he was hopeful that JMH would remain a public hospital.

Ms. Quick advised meeting participants that pursuant to the Affordable Care Act passed by Congress and signed by the President, a large percentage of the uninsured population would one day be insured.

Commissioner Diaz said he did not want this meeting to turn into a dialogue between one speaker and one responder; thus, each speaker's time at the microphone was now limited to two minutes. He said he would allow another round of questions and answers after everyone had an opportunity to speak. At HGTF member Martha Baker's request, Commissioner Diaz recognized her to address some of Mr. Romero's concerns.

Ms. Baker, Registered Nurse and President, Service Employees International Union (SEIU) Healthcare Florida, Local 1991, noted the opinions she expressed as a member of the Task Force dissented from the opinions of the other members. She said she would argue that a well-functioning hospital was a result of efficient operations more than its governance. She said Jackson needed effective operations, and its past leaders had not accomplished that; but she was optimistic that Jackson would turn around under the leadership of Mr. Carlos Migoya, the current President/CEO of Jackson Memorial

Hospital. Ms. Baker noted the Task Force studied five successful healthcare systems that were similar in nature to Jackson; and out of the five, three were public entities, and two were 501(c)(3) not-for-profit organizations that had previously been public. She noted that JMH had been supported by taxpayer monies for 92 years, and should remain public.

Ms. Omayra Hernandez, 901 Swan Avenue, Miami Springs, noted in light of the Task Force's recommendation to establish a new, not-for-profit corporation to operate Jackson Health System, she wanted to know if Jackson was currently a public, not-for profit organization.

Dr. Feller, MD, explained that Jackson had operated as a public, non-profit entity for the past 15-20 years, and was directly governed by the Public Health Trust and Board of County Commissioners. He encouraged meeting participants to review the Grand Jury Report at [http://www.miamidade.gov/auditor/hospital\\_governance.asp](http://www.miamidade.gov/auditor/hospital_governance.asp). Dr. Feller said the hospital would act as a major safety net hospital for the portion of the County's uninsured population that could not afford healthcare, regardless of what entity governed it, because that was the hospital's mission as identified by its mission statement. Dr. Feller noted the Task Force's intent was that Jackson be operated as a public, not-for-profit corporation; that the public be kept informed of the hospital's fiscal status; and that its finances be managed more efficiently than they currently were, as the hospital was now losing money and in danger of being closed.

Mr. Silverman noted it was his understanding that Jackson was not currently operating as a not-for-profit organization, but as the Public Health Trust, which was an instrumentality of Miami-Dade County Government, and had been referred to as a County department on steroids. He noted the Public Health Trust Board of Trustees was charged to oversee JMH's operations. He asked the Assistant County Attorneys present to verify whether his understanding was correct.

Assistant County Attorney Llorente confirmed that Jackson was an instrumentality of the County, and noted that it had never been incorporated.

Ms. Hernandez agreed that JMH had not been managed properly for a number of years, but noted that Mr. Migoya, as JMH's new CEO, was apparently doing a good job managing the hospital. She proposed that Mr. Migoya be given a chance to prove that Jackson's operations could run efficiently without a change in its governance.

Ms. Sara Kinsman, 6360 NW 40<sup>th</sup> Street, Virginia Gardens, asked if County residents without insurance benefits, or the means to pay for healthcare, would still be able to receive care at Jackson if the Taskforce's recommendation to change Jackson's governance was implemented.

Commissioner Diaz advised meeting attendees that any resident without insurance benefits was entitled to use JMH services. He clarified that the Task Force Recommendations, if implemented, would not change JMH's current status as a public health safety net hospital. He explained that the Taskforce Recommendations were

suggestions, not policy and that public proceedings before the County Commission regarding changes to Jackson were forthcoming. Commissioner Diaz said tonight's meeting was one of multiple Town Hall meetings being held countywide in various County Commission Districts. He noted the intent was to incorporate public input into the recommendations regarding Jackson's governance that the Task Force would submit to the County Commission for consideration.

Mr. Donelan added that the Task Force recommended Jackson be governed by a not-for-profit Board of Directors, and that the Board's initial members be appointed by the County Commission. He noted the Recommendations of the Task Force did not suggest that JMH's ability to provide charity care or its current status as a safety net hospital be changed.

Ms. Quick advised Ms. Kinsman that her mother was eligible for Medicare Insurance, if she was at least 65 years of age.

Ms. Baker noted the Grand Jury's Report was premised on Jackson's ineffective operations, i.e. its inability to collect bills, cost out care, etc. She noted governance by a private entity did not guarantee that the hospital would be operated effectively, or that those who governed it would be accountable and knowledgeable about running a hospital. She said she was optimistic that Mr. Migoya could turn JMH around. Ms. Baker noted one of Jackson's problems was its CEO turnover, noting Jackson had three different CEO's within three years. Ms. Baker pointed out that both Baptist and Memorial Health Systems were not-for-profit corporations and one of their biggest assets was their CEOs, who had managed those systems for over twenty five years.

Ms. Baker noted JMH should not be limited to \$350 million in charity care. She pointed out that turning the keys of a public hospital over to a private entity gave that entity the right to determine which kinds of services to provide, which services to cut, and which buildings or units to close; and took away the County's say in those matters, even though the County would still own the property. She noted the concepts that the Commission was meddling in Jackson's affairs or that Jackson's problems would be fixed by turning it over to a private entity was a fallacy. She said she believed the County Commission did a great job at holding Jackson's management accountable. Ms. Baker noted she believed the economy was rebounding from the recession and Jackson's problems would be fixed when the Affordable Care Act became effective in 2014, insuring 97% of the County's population. She also noted she believed the reason the Task Force's recommendations were being rushed was that there would be no reason to privatize Jackson later, if its problems were already fixed.

Ms. Marla Hoyos, 2790 SW 28 Street, expressed concern with Recommendation No. 3 of the Task Force, regarding the Composition of the initial Board of Directors, and asked why the Task Force recommended appointing one insurance industry executive to the Board, preferably with actuarial experience, when they were not particularly liked by the public.

Ms. Quick noted the Task Force was assigned to the review Jackson's governance, not its operations. She also noted that several Task Force members were currently CEOs of local hospitals and said the keys to the success of their own institutions were having a positive margin (excess revenue over expenditures), and having a member on the Board of Directors with insurance industry experience. She noted approximately 98% of a hospital's revenue came through a third party payer source or from insurance; therefore, the Task Force wanted at least one person on the Board with insurance experience, preferably a retired CEO or PHT Director, that could help Jackson's management team to evaluate very complicated contracts/proposals with insurance companies. She noted hospital management would have to live with the terms of these contracts once they were signed. In addition, she noted the recommendation included a Conflict of Interest statement to prevent the insurance industry representative on the Board from having any conflicts with Jackson, or from currently working for insurance companies that contracted with Jackson. Ms. Quick pointed out the difficulties Jackson had in managing its own healthcare plan, and that its Board of Directors might not have pursued Jackson's HMO plan had someone with experience in the insurance industry been appointed to its Board of Directors years ago.

Mr. Donelan added that the Florida Legislature passed a bill to reform the State's Medicaid Program and convert it into a Managed Care Program, if federal funding was available for it. He noted if this were to occur, Jackson would be faced with another financial hurdle. He noted Miami-Dade County's Medicaid population was the largest statewide, and most of Jackson's patients were Medicaid recipients who could end up being served by up to nine different managed care plans. He noted Jackson would need to determine a plan to compete strategically in this market.

Mr. Silverman pointed out that an actuary was a person who studied probabilities, and insurance companies based their rates on actuarial projections. He noted Jackson would be in a position to negotiate better terms by having a member on its Board of Directors with this expertise.

Ms. Hoyos thanked Mr. Donelan for stating that Jackson would not go private, noting his statement directly contradicted the statements made by Dr. Marcus at a previous town hall meeting. She said she used to work for Baptist and Mercy Hospitals (private, not-for-profits), and that staff at those hospitals knew exactly when they met the required level of indigent care. Based on Ms. Quick's statement made earlier that Jackson needed to find other revenue sources to support its services, Ms. Hoyos asked what measures or controls were in place to assure that neither JMH's vital services nor its charity care for indigent or low income patients would be reduced or eliminated.

Ms. Quick noted some of Jackson's services had already been curtailed over the past three years; for example, it had stopped providing kidney dialysis to outside patients and closed its primary care center. She noted the objective was not to further reduce Jackson's services, but to make them more flexible and maintain JMH's status as a community-owned public hospital. Ms. Quick noted the distinction between hers and Martha Bakers' opinions was that Ms. Baker believed the government was the only entity

that could represent the public, but she believed the public could be served by a private, not-for-profit entity. She said it could not be guaranteed that JMH services would not be cut further, but that decision would be based on Jackson's' financial viability and determined by its future governance.

Ms. Hernandez noted she believed the reason that private, not-for-profit institutions fared so well was because they did not provide full care to uninsured or indigent patients, but just applied a "Band-Aid" type treatment and then transported the patients to JMH as soon as they were stabilized.

Mr. Jorge Romero, 270 SW 87th Path, noted he previously worked for the Finance Department at JMH, and knew that 45 days was the maximum allowable hospital stay for Medicaid recipients, except children. He noted that even though the County's large Medicaid population could end up in a managed care program, they would end up coming back to Jackson because they would not be able to stay in another hospital for more than 45 days.

Hearing no further questions or comments, Commissioner Diaz closed the public hearing, and thanked meeting attendees for their input.

Commission Auditor Charles Anderson announced the next two Town Hall meetings to be conducted would be held in Commission District 6 at the Rebecca Sosa Multi-purpose Center, 1700 SW 62 Avenue, on August 16, 2011, from 6:00 p.m. to 8:00 p.m.; and in Commission District 5 at the Hispanic Branch Library, 1398 SE 1<sup>st</sup> Street, on August 17, 2011, from 6:00 p.m. to 8:00 p.m.

There being no further business, tonight's Town Hall meeting was adjourned at 7:12 p.m.