



**FINAL OFFICIAL
MEETING MINUTES
Miami-Dade County Commission District 2
Town Hall Meeting
Hospital Governance Taskforce Recommendations**

Jackson North Medical Center
160 NW 170th Street
Miami, Florida

August 15, 2011
As Advertised

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Board of County Commissioners

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CLERK'S SUMMARY AND OFFICIAL MINUTES
DISTRICT 2 TOWNHALL MEETING – HGT RECOMMENDATIONS
AUGUST 15, 2011

Miami-Dade County Commissioner Jean Monestime, District 2, convened a Townhall meeting in the 2nd Floor Auditorium of the Jackson North Medical Center, 160 NW 170th Street, Miami, Florida, on Monday, August 15, 2011, at 6:00 a.m.; there being present Hospital Governance Task Force Vice Chairwoman Susan Dechovitz and Members Martha Baker, Steven Marcus; Assistant State Attorney Paul Silverman; and Financial Recovery Board Member Stephen Nuell.

ROLL CALL:

The following staff members were present: Commission Auditor Charles Anderson and Office of the Commission Auditor staff members S. Donna Palmer, Angie Martinez, and Robert Marksmeier; Assistant County Attorney Eugene Shy; Creole Translator Fabie Bodek and Spanish Translator Rodolfo Turenne, Government Information Center; Mary Estimé-Irvin, District 2; and Deputy Clerk, Mary Smith-York.

1. OPENING REMARKS / HEARING RULES

Commissioner Jean Monestime called the meeting to order at 6:13 p.m. and welcomed everyone to this important meeting. He provided a brief overview of Jackson Health System's (JHS) history of quality healthcare services for all people, particularly those with the greatest needs. Commissioner Monestime expressed his personal belief that Jackson would remain a public hospital and continue as a catalyst for superior healthcare services, as well as teaching hospital. He informed everyone that he was here with the stakeholders and Commission Auditor to discuss information pertaining to the JHS and to answer questions. Commissioner Monestime noted, approximately two months ago, to assist the Public Health Trust (PHT), the Board of County Commissioners (BCC) established the Financial Recovery Board (FRB), which would sunset in 24 months unless dismantled by Commission resolution. He expressed the need to hear from those in the audience presented tonight's (8/15) protocol. He announced that Spanish and Creole interpreters were present to translate for individuals who did not speak English.

2. PRESENTATION OF EIGHTEEN TASK FORCE RECOMMENDATIONS

Mr. Charles Anderson, Commission Auditor, introduced himself and the individuals seated on the panel and summarized the contents of the handouts located on the entrance table in English, Spanish, and Creole, including a Jackson Overview; the Hospital Governance Taskforce (HGT) Membership and the Final Recommendations (18). He outlined his role in tonight's meeting and provided an overview of the reason the HGT was created and the task it was given. He read into the record the HGT's 18 Final Recommendations as follows:

Mission

1. Set forth a clearly stated mission statement & vision for the health 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 backgrounds 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 family¹ of a member of the board of Jackson Health System, and organizations 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. For example, the governing body of Jackson Health System and the County should investigate the possibility of pursuing legislative changes similar to the changes approved for Shands Teaching Hospital and Clinics in the 2011 Florida legislative session, if legally appropriate.

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 (½ 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 on improving access, quality and coordination of countywide public health.

The Public Health Advisory Committee shall include members appointed by the Mayor and the Board of County Commissioners. One of the persons appointed shall be the Director of the Miami-Dade County Health Department or the Director's designee. The other members shall have extensive expertise in healthcare issues and shall not be County or Jackson Health System employees.

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 property⁴ 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 County-owned real property as referred to in paragraph 12 above.

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 Board of County Commissioners 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 organization 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,

Creating a culture of performance excellence, accountability for results, and leadership execution are the keys to success....a culture of performance excellence and accountability for results was strongly exhibited during the interviews with the high performing health systems. This was best defined through cultural markers such as: focusing on continuous improvement, driving towards dramatic improvement or perfection versus incremental change, emphasizing patient-centeredness, adopting a philosophy that embraces internal and external transparency with regard to performance, and having a clear set of defined values and expectations that form the basis for accountability of results. The other finding connected with the culture of performance excellence was a disciplined and persistent focus by leadership on execution and implementation to achieve the lofty goals. The culture of performance and excellence was strongly connected to leadership's execution doctrine.⁵

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 a having a clear set of defined values and 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.

Mr. Anderson advised that the HGT's Final Report, the Grand Jury's Report, and a variety of other research material could be accessed on the Office of the Commission Auditor's Website (http://www.miamidade.gov/auditor/hospital_governance.asp). He then invited Task Force members to provide their comments.

Ms. Susan Dechovitz, Vice Chairperson, Hospital Governance Task Force (HGT) and Assistant State Attorney who?, noted she who had worked at the State Attorney's Office for over 30 years, devoting her life to public service and community safety. She informed of her work with Grand Jury, which began looking at the situation at Jackson approximately a year and a half ago. Ms. Dechovitz advised that, pursuant to the Grand Jury's recommendation, the County Commission formed the Hospital Governance Task Force to research the best governance model for Jackson. She discussed the task force's efforts to ensure that Jackson's mission remained unchanged and that Jackson had the freedom to do its best. Ms. Dechovitz stated that the HGT was not recommending privatization for Jackson and reiterated the goals and objectives of the HGT.

Mr. Steven Marcus, President/CEO, Health Foundation of South Florida (HFSF), presented a brief overview of the HFSF and why one of its members served on the HGT. He noted he had 30 years experience in philanthropy and non-profits, and worked during his college years as a member of two unions. Mr. Marcus stated the HGT was concerned with creating a model that would bring Jackson into a more stable, self sustaining, self sufficient environment in the future. He noted that after many comparisons to other hospitals, the HGT recommended the model it believed would best work for Jackson. Mr. Marcus shared a remark made to him earlier tonight, that if the recommended model was implemented for a period of time and failed, the model could be taken back to a different state. He pointed out that this was a chance to do something different that might work better than what was done in the past and asked for the opportunity to move this recommendation forward.

Ms. Martha Baker, R.N., Jackson Memorial Hospital (JMH), President of Service Employees International Union (SEIU) Healthcare Florida Local 1991, and member of the Hospital Governance Task Force, noted that she was the only task force member affiliated with JMH. She also pointed out that she alone presented a dissenting report. Ms. Baker expressed concern with the expedited process used by the HGT to develop its recommendations. She stated three of the five hospitals interviewed by HGT: Cook County, Harborview/Seattle, and LA County, were all public hospitals and associated with public medical schools. Ms. Baker stated the HGT should clarify what it was recommending; since JMH was currently not-for-profit, the only other option was private. She alleged that committee members were not admitting what they were really recommending. Ms. Baker stated her belief that Mr. Carlos Migoya (JMH President/CEO) had hired intelligent leaders at the top and was moving in the right direction. She referenced a report she read from the last FRB meeting indicating the existence of an \$85 million "rainy day fund" that auditing firm Ernst and Young was inquiring about. Ms. Baker stated JMH was not doing too badly and noted that after deducting depreciation costs, JMH had a shortfall of approximately \$20 million. She expressed support for most of the HGT's recommendations; however, she expressed concern with recommendation number 15(see list above). Ms. Baker pointed out that the governing board would initially be appointed by the Mayor and Commission; but would then become self appointing without public oversight. She spoke in support of retaining the County Commission's oversight for the governing board and referenced the

Commission's vote that prevented the Jackson South Obstetrics (OB) unit from closing. Ms. Baker expressed opposition to changing the governance structure and emphasized her point that the operations aspect was the cause of JHS' problems. She expressed additional concern that the people of Miami-Dade County would be asked on a referendum, if they wanted to save Jackson, take it to a not-for-profit; however, it would not reveal whether it was public or private. Ms. Baker reiterated her support of keeping JHS as a public not-for-profit hospital, as it was currently.

Mr. Stephen Nuell, Financial Recovery Board Member, noted he, like Ms. Baker, also had a lengthy affiliation with the Jackson Health System (JHS) and was a Public Health Trust member. He thanked Commissioner Monestime, Commission Auditor Charles Anderson and staff, and Ms. Sandy Sears, Senior Vice President, Jackson North Medical Center, for organizing and facilitating this meeting, and expressed appreciation to everyone in the audience for attending tonight's meeting. He explained that the HGT had developed recommendations and advised that this meeting was being held to hear from the public.

3. QUESTIONS AND ANSWERS

Mr. Anderson informed those wishing to speak, that Spanish and Creole interpreters were available to translate comments into English if needed. He asked that each speaker limit his/her comments to no more than three minutes. Mr. Anderson opened the floor for public comment and the following persons appeared:

- 1) Ms. Jenette Pubien, 14795 N.E. 18th Avenue, Miami, appeared and, via translator, spoke in opposition to the recommendation for JMH to become a private not-for-profit hospital and in support of JMH continuing as a public hospital;
- 2) Mr. Joseph Jean Louis, 1015 N.W. 126th Street, Miami, appeared and, via translator, spoke in opposition to the recommendation for JMH to become a private not-for-profit hospital and in support of JMH continuing as a public hospital;
- 3) Ms. Viviane Dixon Shei, President, AFSCME Local 1353, spoke in opposition to the recommendation for JMH to become a private not-for-profit hospital and in support of JMH continuing as a public hospital;
- 4) Mr. John Ratliff, 9825 N.E. 4th Avenue Road, Miami, appeared in opposition to the recommendation for JMH to become a private not-for-profit hospital and in support of JMH continuing as a public hospital;
- 5) Ms. Omayra Hernandez, 901 Swan Avenue, Miami Springs, asked that a period of time be given for Mr. Migoya to make the necessary changes at JMH, and if that did not work, then consider implementing the HGT's recommendations. She expressed concern that the HGT had not given enough time to this matter and suggested further discussion.
- 6) Ms. Micheline Harris Charles, 12350 N.W. 13th Avenue, Miami, shared her personal experience/relationship with JMH and requested that JMH remained a public hospital as it currently was.

- 7) Ms. Sharon Smallwood, Jackson Mental Health employee, 17980 N.E. 31st Court, Miami, appeared in opposition to the recommendation for JMH to become a private not-for-profit hospital and in support of JMH continuing as a public hospital;
- 8) Mr. Miguel Hoyos, 2790 S.W. 26th Street, Miami, requested clarification on the HGT's request that its recommendations be implemented with a sense of urgency as reflected in Recommendation #17. He noted the HGT met for only three (3) months prior to Mr. Migoya being hired, and stated the recommendations do not give Mr. Migoya the opportunity to make any changes. Mr. Hoyos expressed opposition to the recommendation for JMH to become a private not-for-profit hospital and in support of JMH continuing as a public hospital;
- 9) Ms. Marie Eloi, 15010 N.E. 9th Court, Miami, expressed concern with the recommendation for JMH to become a private not-for-profit hospital being presented during this time of economic and financial crisis.
- 10) Ms. Marla Hoyos, 2790 S.W. 26th Street, Miami, appeared and read into the record, Item 2-Truth in Government, under Citizens' Bill of Rights, in the Miami-Dade County Home Rule Amendment and Charter. She alleged that, in the HGT's last meeting, Alternate HGT member William Donelan admitted "...this governance change means Jackson will be private..." and that HGT member Linda Quick answered: "...there is no guarantee..." when asked what guarantee was there, that services to low-income and indigent people would not be cut. Ms. Hoyos spoke in opposition to the recommendation for JMH to become a private not-for-profit hospital and in support of JMH continuing as a public hospital.

Mr. Anderson closed the floor to public comment, and asked HGT members to respond to questions presented by members of the public, particularly the one regarding Recommendation #17.

Mr. Stephen Marcus, HGT, indicated the sense of urgency was in response to the reported 8.9 days' cash on hand at JHS, which grew to 15 days at the time the HGT was created. He expressed concern that Jackson was in an urgent situation.

Ms. Baker, HGT, noted the task force was not informed that JMH's cash on hand had never been greater than 22 days for the past 20 years. She pointed out that the operations aspect needed to be fixed and that governance was not the answer. Ms. Baker noted she requested the Grand Jury's review of JMH's operations in an effort to address the mismanagement issue. She stated the findings were operational and informed attendees that she had provided copies of the Grand Jury's Report for their review.

Mr. Nuell, FRB, advised that he was not on the task force, but was on the PHT and not the FRB. He noted Ms. Baker's remarks were correct, but were incomplete. Mr. Nuell acknowledged that operational problems existed at JHS and stated the changes to the oversight board and the leadership were recent and helpful. He stated, however, that governance was also a problem; not necessarily politics, but the ability for a health system to operate competitively in the business world. Mr. Nuell noted there were County and Government rules that were incompatible with a healthcare system that needed to change. He noted the only issue being challenged was that of private versus

public, and stated that all of the HGT's recommended changes needed to be implemented. Mr. Nuell emphasized the need for an appropriate governance structure to implement and make operational deficiencies.

Commissioner Monestime provided closing comments and advised that it was his priority to seek that this hospital's mission remained unchanged. He noted he was aware that Jackson was losing money and that the main problem was related to management. Commissioner Monestime stated the HGT had provided some alternatives and stated he was not supportive of privatizing Jackson. He thanked everyone for attending and staff for facilitating this meeting.

4. ADJOURNMENT

There being no further questions or comments, the meeting adjourned at 7:17 p.m.