



**FINAL OFFICIAL
MEETING MINUTES
Miami-Dade County Commission District 5
Town Hall Meeting
Hospital Governance Taskforce Recommendations**

Hispanic Branch Library
1398 S.W. 1st Street
Miami, Florida

August 17, 2011
As Advertised

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Board of County Commissioners

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CLERK'S SUMMARY AND OFFICIAL MINUTES
DISTRICT 5 TOWNHALL MEETING – HGT RECOMMENDATIONS
AUGUST 17, 2011

Miami-Dade County Commissioner Barreiro, District 5, convened a Townhall meeting in the Auditorium of the Hispanic Branch Library, 1398 S.W. 1st Street, Miami, on Wednesday, August 17, 2011, at 6:00 p.m.; there being present Hospital Governance Task Force Chairman Juan Zapata, Vice Chairwoman Susan Dechovitz and Members Martha Baker and Lillian Rivera; 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 Attorneys Eugene Shy, Laura Llorente, Karen Coleman, and Jeffrey Poppel; Christina Partyka, Office of the Mayor; Marlene Avalo, District 5; Spanish Translator Rodolfo Turenne and Creole Translator Fabie Bodek, Government Information Center; and Deputy Clerk, Mary Smith-York.

1. OPENING REMARKS / HEARING RULES

All comments made at tonight's (8/17) meeting were provided in both English and Spanish via translation provided by Mr. Rodolfo Turenne, Government Information Center.

Commissioner Barreiro, in English and Spanish, introduced himself and welcomed everyone and expressed his appreciation for their attendance at tonight's (8/17) meeting. He stated the purpose of this meeting was to get the community's perspective on the Hospital Governing Board, the governance restructure, and other issues pertaining to the delivery of healthcare within the County.

2. PRESENTATION OF EIGHTEEN TASK FORCE RECOMMENDATIONS

Mr. Charles Anderson, Commission Auditor, introduced himself, welcomed everyone present and explained the role of the Office of the Commission Auditor with respect to the Hospital Governance Task Force. He advised that the information contained in the handouts on the entrance table was available in English, Spanish, and Creole, and included Jackson Overview; the Hospital Governance Taskforce Membership; and the Final Recommendations (18). Mr. Anderson outlined his role in tonight's meeting and provided an overview of the HGT's purpose, after which he read into the record the following HGT 18 Final Recommendations:

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), listed on the last page of the handout. He then invited Task Force members to provide their comments.

Ms. Susan Dechovitz, Assistant State Attorney and Vice Chairperson of the Hospital Governance Task Force (HGT), noted that she was asked to serve on the HGT because of her work with the Grand Jury. She stated the Grand Jury recommended that a task force of experts in the field be created to consider a model by which Jackson Health System could correct its problems. Ms. Dechovitz advised that, pursuant to the Grand Jury's recommendation, the County Commission formed the Hospital Governance Task Force, who worked to ensure that Jackson's mission remained unchanged and that Jackson had the freedom to do its best. Ms. Dechovitz stated that the HGT did not recommend that Jackson be privatized and stated the HGT's goals and objectives.

Ms. Martha Baker, RN, Jackson Health System (JHS), and Hospital Governance Task Force (HGT) Member, advised that she was the dissenting opinion on the HGT. She acknowledged the need for improvement in JMH's operational effectiveness and expressed agreement with a number of the HGT's recommendations, including stronger ethics and a smaller board of health care experts. Ms. Baker expressed strong opposition to the recommendation to make JHS a private not-for-profit entity and stated this public hospital of 92 years should remain in the public's hands. She expressed support for the County Commission's oversight of JHS; pointing out that the Commission had not interfered with operations, rather the hospital failed because of the leadership team's mismanagement. Ms. Baker emphasized the importance of Recommendation #15, and stated it authorized someone to run JHS as a private not-for-profit. She noted the current CEO was performing well and should be given the opportunity to do his job, referencing a "Rainy Day Fund" balance of \$85 million.

Dr. Lillian Rivera, Miami-Dade County Health Department Administrator, explained her participation in the HGT was to represent the public health aspect as the public health director of this community. She directed expressed strong support for Recommendation #9: Creation of a Public Health Advisory Committee, and noted it was greatly needed.

Mr. Juan Zapata, Hospital Governance Task Force (HGT) Chairman, expressed his appreciation to Commissioner Barreiro for having this meeting and to the County Commission for creating the HGT. He noted JHS was a complicated issue but extremely important to the community. Mr. Zapata explained that the recommendations being presented today were based on the best practices of public hospitals around the country, which were not in crisis. He noted JHS was in crisis and if the status quo continued, the situation would remain the same. Mr. Zapata concurred with Ms. Baker's opinion that Recommendation #15 was very important. He explained that currently the governing body's decision could be overturned by the Board of County Commissioners. Mr. Zapata noted the HGT possessed hundreds of years of health care experience with respect to managing hospitals. He emphasized the importance of the HGT's objective to remove business decisions from a political environment. Mr. Zapata stated that the only guarantee that JHS could maintain the quality and nature of being a public hospital was that it would make good business decisions.

3. QUESTIONS AND ANSWERS

Following his recognition of Assistant State Attorney Paul Silverman for a great job representing HGT Vice-Chairwoman Susan Dechovitz, 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) Mr. Genaro Manzano, 2352 SW 5 Street, Miami, spoke in opposition to the recommendation that Jackson become a private not-for-profit hospital.
- 2) Ms. Anna Klienholz, 2195 SW 14 Terrace, Miami, spoke in opposition to the recommendation that Jackson become a private not-for-profit hospital.
- 3) Ms. Nelly Jordan, 429 N.W. 13 Avenue, Miami, asked what impact the governance change would have on services.

In response to Ms. Nelly Jordan's inquiry on whether privatization would impact the services at Jackson, Commissioner Barreiro advised that the quality of services would still be there. He stated the people affiliated with Jackson, including the staff and teaching institutions made Jackson the quality hospital that it was. Commissioner Barreiro explained the concept of a private not-for-profit structure using the Miami-Dade Expressway Authority as a similar structure that was handed over to another entity to govern. He stated the proposed governing body's interest was to make Jackson an effective institution that provided public health to the public in this community. Commissioner Barreiro advised that the recommendations contained safeguards, and the Commission could adopt additional safeguards, to guarantee this.

Ms. Baker noted she disagreed with Commissioner Barreiro's comments and noted the outline did not contain language providing that the governing body must continue delivering equality in its decisions. Referencing Recommendation #15, she pointed out that all decision-making would be done by the private not-for-profit entity with no accountability.

- 4) Ms. Marilyn Ortiz, 142 NW 27 Street, Miami, asked what would happen to the Ryan White program.

In response to Ms. Marylyn Ortiz' question regarding the impact to the Ryan White Program, Dr. Rivera advised that the federal government provided funding for this Program and, therefore, the funding would continue with Jackson Memorial Hospital.

- 5) Ms. Gladys Barahona, 345 NW 11 Avenue, Miami, asked what type of crisis Jackson was in, how the people could help, and if Commissioner Barreiro supported Jackson remaining as it was.

In response to Ms. Gladys Barahona's inquiry regarding the type of crisis and how to help, Mr. Zapata stated the County Commission deemed Jackson in financial hardship when it was asked to give additional funding to Jackson. With respect to her question of

how citizens could help, Mr. Zapata noted attending this meeting today and having a dialogue that helped Jackson maintain the positive aspects and address the issues was one way citizens could help. He advised that Jackson's business model needed to change rapidly, which was difficult to do in a political environment.

In response to Ms. Barahona's inquiry of his position on the issue, Commissioner Barreiro stated the Commission had received the HGT's recommendations and that he would incorporate the feedback from public hearings, including this meeting, into his decision-making process.

Mr. Zapata advised that the recommendations being presented represented a set of ideas that was mostly agreed upon by the task force. He noted the County Commission and the community would have additional ideas. Mr. Zapata stated that it was hoped that all those ideas coming together would render the results needed to help Jackson.

- 6) Mr. Rodelio Conesa, 630 SW 9 Street, Miami, spoke in opposition to the recommendation that Jackson become a private not-for-profit hospital.
- 7) Ms. Debra Diaz, 816 NW 11 Street, concurred with Ms. Baker's position and asked what would happen when the \$350 million indigent care funds were depleted.

In response to Ms. Diaz' question regarding indigent care funds, Mr. Zapata advised that those were taxpayer dollars that Jackson could not account for how it was spent. He stated that the recommendations were asking that accountability for expenditures be required. Mr. Zapata explained that changing Jackson's business model would attract paying patients and those profits would pay for indigent patients. He added that the idea was to have more money available for public health.

Ms. Baker stated Jackson provided \$700 million in charity care per year; and noted that if Baptist Hospital gave that amount, it would be in crisis. She pointed out that Baptist only gave \$93 million in charity care, yet received an award. Ms. Baker noted the problem was that tax dollars totaled \$350 million and charity care costs totaled \$700 million. She advised that consultants were hired to help resolve Jackson's problems without selling or privatizing it. Ms. Baker stated the \$350 million gap would be difficult to fill and nothing in the recommendations document required that a private entity give more than \$350 million.

Commissioner Barreiro asked public speakers to refrain from presenting questions to be answered at this meeting and to present only their comments on the proposed recommendations before them.

- 8) Mr. Robert Lozada, 801 S. Royal Poinciana, Miami Springs, JMH employee and AFSCME Union member, spoke in opposition to creating a governing board that usurped the power of the elected officials. He expressed concern that the proposed recommendations failed to directly address the financial crisis at

Jackson. He asked Commissioner Barreiro what his response would be if the HGT proposed privatizing all or part of Jackson.

In response to Mr. Lozada's question, Commissioner Barreiro advised that he did not know at this time.

- 9) Mr. James Buehner, 1045 10th Street, Miami Beach, JMH Cancer Nurse, expressed concern with the impact this restructure would have on the cancer patients. He asked how often the County Commission had overturned a decision made by the Public Health Trust.

Pertaining to the inquiry on the number of times the County Commission had overturned a decision by the PHT, Commissioner Barreiro stated this was done twice.

- 10) Mr. John Ratliff, 9825 NE 4 Avenue Road, Miami, spoke in opposition to the recommendation that Jackson become a private not-for-profit hospital.
- 11) Ms. Fabie Bodek, 3245 Virginia Street, Miami, explained that the difference between private not-for-profit and public not-for-profit entities was the public not-for-profit was affordable. She expressed opposition to the recommendation that Jackson become a private not-for-profit hospital.
- 12) Mr. Oscar Torres, 6021 NW 173 Drive, Miami Lakes, asked if Commissioner Barreiro would ask Honorable Governor Rick Scott why he rejected millions of dollars from the federal government.
- 13) Ms. Lida Rodriguez-Taseff, 110 Washington Avenue, Miami Beach, Chair South Florida Jobs with Justice and attorney, spoke in opposition to the recommendation that Jackson become a private not-for-profit hospital and in support of preserving it as a public institution.

Commissioner Barreiro spoke about the warning signs involving the delivery and cost of health care at Jackson, signaling the need for something to happen. He noted costs continued to rise as did the demand for care, for which there was no funding. Commissioner Barreiro stated Jackson needed to either become fully public with the County Commission being totally responsible for its actions; or become private/not-for-profit with a separate governing body. He advised the current model would not work and indicated the University of Miami Hospital expedited Jackson's crisis when it moved into the Cedars Hospital facility.

- 14) Ms. Omayra Hernandez, 901 Swan Avenue, Miami Springs, asked why Dr. Eneida Shalala, a University of Miami Doctor, was a member of the HGT.

In response, Commissioner Barreiro advised that the HGT needed to include the expertise of a broad spectrum of healthcare professionals.

Mr. Zapata noted Dr. Shalala was an outstanding individual with vast experience and had been appointed by United States President Barack Obama and former United States President George Bush to look into healthcare issues. He concurred with Ms. Hernandez'

concerns regarding someone having a contractual agreement with Jackson also having a position on the governing board of Jackson, and noted that was the reason the County Commission implemented the recommendation for the Financial Recovery Board. Mr. Zapata highlighted Recommendation #6, which proposed a more rigorous conflict of interest policy.

Ms. Hernandez questioned the level of objectivity the HGT could possibly have towards improving Jackson as a public hospital, when it was comprised predominantly of CEOs of Jackson's competitors.

Commissioner Barreiro pointed out that it would behoove private and not-for-profit hospitals to keep Jackson operating effectively so indigent care would not become their expense.

Mr. Zapata stated that 20 members on the HGT had not volunteered, but were appointed; and of that 20, six were hospital CEOs. He advised that he volunteered for the HGT.

Mr. Robert Lozada reappeared and asked Commissioner Barreiro if he would consider the solution of making Jackson a completely public hospital and part of the County Administration.

In response to Mr. Lozada's question, Commissioner Barreiro stated that option would have to be analyzed along with other alternatives; therefore, he could not provide an immediate answer.

Mr. Lozada asked Mr. Zapata why the taxing district option recommended by the former PHT Board dismissed.

In response, Mr. Zapata stated the HGT was not tasked with studying new sources of revenues for Jackson. He stated the County Commission gave the HGT the specific mission to focus on the governance. Mr. Zapata stated a second reason was that this issue was occurring at the same time elections were being held to recall the County Mayor and a County Commissioner because of increased taxes. He noted it would have been counterproductive to attempt to introduce a new layer of taxation on individuals.

Mr. Rodelio Conesa reappeared and asked which was better for the people of Miami-Dade County, the Marlins Stadium or Jackson Memorial Hospital.

Commissioner Barreiro explained that the Marlins Stadium was being financed with tourist tax dollars and, unfortunately, those dollars could not be used to build or fund hospitals. He stated the County's General Revenue could be used and advised that this was an option being considered by the County Commission.

15) Mr. Miguel Hoyos, 2790 SW 26 Street, Miami, asked how the focus was directed to the governance aspect of Jackson, when the Grand Jury Report identified numerous operational errors.

Commissioner Barreiro noted Mr. Hoyos made a good point and noted the County Commission was limited in its ability to make decisions regarding Jackson, which was the PHT's responsibility. He thanked everyone for attending this meeting and providing feedback for the County Commission's consideration.

Ms. Baker expressed her appreciation to Commissioner Barreiro for this meeting and everyone present for attending. She pointed out that she had attended every town hall meeting and had not heard one person express support for changing Jackson from a public hospital.

4. ADJOURNMENT

There being no further questions or comments, the meeting adjourned at 8:25 p.m.