

Miami-Dade County Charter Review Task Force Meeting
Wednesday, May 23, 2012
Stephen P. Clark Center, Conference Rooms 18-3 and 18-4
111 N.W. 1st Street
9:00 a.m.

- **Approval of Minutes**
 - May 17, 2012 - Charter Review Task Force Meeting
- **Chairman's Items**
- **County Attorney's Reports**
 - Recommended Technical Amendments to Charter
- **CRTF Issues of Study**
 - Incorporation / Annexation
 - Governance of Jackson Memorial Hospital
 - Salaries / Outside Employment (Executive Benefits Presentation)
 - Requested Information
 - Petition Process
 - Mayoral Vacancy - Instant Run- Off Elections
- **Other Business**
 - Feedback received via the website and email

Minutes

**MIAMI-DADE COUNTY CHARTER REVIEW TASK FORCE
CLERK'S SUMMARY AND OFFICIAL MINUTES OF MEETING
MAY 17, 2012**

The Miami-Dade Charter Review Task Force (the Task Force) convened the public hearing meeting on May 17, 2012, at the Miami-Dade Main Public Library Auditorium, 101 West Flagler Street, Miami, Florida, at 9:00 a.m. There being present Chairman Rene Garcia, Vice Chairwoman Evelyn Langlieb Greer, Ms. Yolanda Aguilar, Mr. Armando Bucelo, Councilwoman Isis Garcia-Martinez, Councilman Luis Gonzalez, Representative John Patrick Julien, Mr. Carlos Manrique, Mr. Terry Murphy, Mr. Hans Ottinot, Mr. Lawrence Percival, Ms. Pamela Perry, Mr. Donald Slesnick, Professor H. T. Smith, and Representative Carlos Trujillo (Mayor Juan Carlos Bermudez was late). (Mr. Joe Arriola and Reverend Dr. Walter Richardson were absent)

In addition to the members of the Task Force, the following elected officials and staff members were present: Chairman of the Board of County Commissioners Joe Martinez, Assistant County Attorneys Oren Rosenthal, Jeff McCarty, and Cynthia Johnson-Stacks, Ms. Inson Kim, Ms. Lorna Mejia, Mr. Les Pantin, and Deputy Clerk Flora Real.

Chairman Rene Garcia called the meeting to order at approximately 9:15 a.m. and welcomed the Task Force members and all others present.

WELCOME AND INTRODUCTION

Following a formal introduction of each of the Task Force members present at today's meeting, Chairman Garcia proceeded to consider the agenda.

Mr. Harry Suarez, Miami-Dade Community Information, explained that a solution was developed at the Task Force's request to help solicit additional external feedback from the community; therefore, a Web blog and Website page was established.

APPROVAL OF MINUTES

- April 19, 2012 Task Force Meeting
- May 7, 2012 Public Hearing
- May 8, 2012 Public Hearing
- May 9, 2012 Public Hearing
- May 10, 2012 Public Hearing
- May 14, 2012 Public Hearing

Mr. Lawrence Percival asked that the Task Force amend the meeting minutes of May 9, 2012, to reflect two comments he had made at that meeting say:

- “that two persons in the audience Mr. Miles Moss and Florida State Representative Juan Zapata had both served in the Municipal Advisory Committee (MAC) in West Kendall, Joe Martinez had allowed the city to move forward, and at one point, and actually on three occasions, he informed the group that if they did not follow his instructions and specifically include every area of his district in the study that he would shut them down and close it,”
- “Joe Martinez took his football and headed home. He shut it down and did not allow any further involvement for the study of West Kendall to become a city or anything;” and
- “that he had recently read in the paper that another commissioner recently made a statement that if his area were to be incorporated, he would want the entire area of his district to be one city, and my response to that was that I feel that sort of process that commissioners dictate denies the citizens of the area the right to self-determination.”

Mr. Percival noted that neither of those comments was included in the minutes, and he felt the Task Force members should know about those comments and the sentiments expressed by the public inasmuch as the public wished to have the right for self-determination. He advised that he made those comments to reinforce that issue, and the essence of those comments should not be lost.

It was moved by Mr. Armando Bucelo that the Miami-Dade Charter Review Task Force approve the minutes of April 19, 2012, May 7, 2012, May 8, 2012, May 10, 2012, and May 14, 2012, and that the minutes of May 9, 2012 be approved as amended to include the comments made by Mr. Percival. This motion was seconded by Mr. Donald Slesnick; and upon being put to a vote, the motion passed by a vote of 15-0. (Mr. Arriola, Mayor Bermudez, and Dr. Richardson were absent)

CHAIRMAN’S ITEMS

- Next Meeting Dates – Proposed May 23, May 30, and June 6
- Proposed Timeline for the Charter Review Task Force

Chairman Rene Garcia considered the Next Meeting Dates and the Proposed Timeline for the Charter Review Task Force simultaneously, and he asked Ms. Inson Kim to present the proposed meeting dates and timeline.

Ms. Kim advised that the proposed meeting dates were May 23rd, May 30th, and June 6th based on the feedback provided by the Task Force members. She noted the Task Force’s final report had to be submitted at the Board of County Commissioners’ meeting of July 17, 2012, before the summer recess. She advised that it was hoped the Task Force’s preliminary report was finalized at the Task Force’s June 6th meeting, and it would be distributed by June 30th. She advised the final public hearing to gather feedback from the public on the Task Force’s proposed

recommendations should be scheduled for June 20th or 21st, and the Task Force needed to consider scheduling another meeting on or about June 29th to provide several days for anyone to submit a dissenting opinion.

Following a discussion on the availability and possible dates of the Task Force members to schedule the final public hearing, the Task Force members determine the final public hearing would be scheduled for June 20th at 5:30 p.m. at the County Commission Chambers if available.

Pursuant to Mr. Donald Slesnick's recommendation to change the final Task Force meeting date, the Task Force members determine that the final meeting of the Task Force would be scheduled for June 26th.

Mr. Lawrence Percival recommended that the Task Force members meet until 3:00 p.m. or until all discussions and/or work was completed in order to reduce the number of meetings.

In response to Mr. Percival's request that the Task Force members be asked to stay at the meetings until all discussions were completed, Chairman Garcia stated that meetings would be prolonged as necessary inasmuch the people of Miami-Dade County expected this Task Force to remain focused until the work was completed; but Task Force members would be allowed to take breaks as necessary and determine if they wished to return to the meeting.

In response to Ms. Greer's question regarding the attendance of Mr. Joe Arriola and Mayor "JC" Bermudez, Councilman Gonzalez advised Mayor Bermudez had an emergency meeting at the City of Doral and would arrive late.

Upon concluding the foregoing discussion regarding the proposed meeting dates and the timeline, Ms. Kim noted the Task Force members had selected the following meeting dates:

1. May 23, 2012, Task Force meeting at 9:00 a.m.
2. May 30, 2012, Task Force meeting at 9:00 a.m.
3. June 6, 2012, Task Force meeting at 9:00 a.m.

Ms. Kim noted she would do her best to keep the meetings in the Downtown area if space was available, and she would inform the Task Force members on the dates, times, and locations as soon as the locations were confirmed.

Ms. Kim advised the following additional proposed meetings were added to the schedule:

1. June 20, 2012, final public hearing at 5:30 p.m., tentatively in the County Commission Chambers;
2. June 26, 2012, Task Force meeting at 9:00 a.m., tentatively in the Downtown areas/Main Library; and
3. July 17, 2012, Board of County Commissioners' meeting to submit Task Force's final report.

Chairman Garcia asked that all Task Force members be present at the July 17, 2012, Board of County Commissioners' meeting.

- o Prohibido Callarse Show Invitation (WQBA)

Chairman Rene Garcia advised radio show broadcasters of Prohibido Callarse Show airing in WQBA extended an invitation to the Task Force members to co-host a show to promote the work of this Task Force in the Hispanic market. He noted he was working on the proposed show dates for those Task Force members interested in participating. He advised it was considered a public hearing; and it would be properly advertised as such. He advised Task Force members would be notified of the date and time as soon as it was confirmed.

Chairman Garcia asked that Task Force members begin to contact County Commissioners to request sponsorship for the proposed recommendations forthcoming.

Mr. Donald Slesnick noted he would like to have a public radio announcement regarding community outreach meetings, and he would like to have considered the suggestion made at previous meetings by Ms. Yolanda Aguilar. He noted Ms. Aguilar and he were still interested in holding public meetings in the West Miami, Coral Gables, South Miami, and Flagami areas with the approval and support of this Task Force; and he invited Task Force members to join them in these public hearings. He further noted he and Ms. Aguilar would assume the responsibility to identify a meeting place and set the time.

Assistant County Attorney Oren Rosenthal noted the meeting had to be properly noticed to the public. He further noted the only intent of the public hearing was to hear the community's comments and suggestions, and no official action could be taken at those public hearings.

Chairman Garcia asked Mr. Slesnick that he be notified on the meetings dates, times, and locations as soon as those meetings were coordinated to incorporate those meetings in the Task Force's calendar.

Councilwoman Isis Garcia-Martinez suggested an additional air show be broadcasted in an English speaking radio station to have the Anglo and other members of the community included.

Chairman Garcia agreed with the suggestion made by Councilwoman Garcia-Martinez, but the Spanish radio show was the result of an invitation received from the radio station.

Councilwoman Garcia-Martinez commented the public radio forum should be opened to other ethnic communities if the invitation to participate in the Spanish speaking radio show was accepted.

Chairman Garcia noted he appreciated her suggestion; but any Task Force member was welcome to partake in a radio show if the Jewish, Anglo, or Creole speaking communities wished to invite any Task Force member to participate in a radio public forum.

- Other business

Mr. Rowan Taylor, President of the Metro-Dade Fire Fighters, IAFF Local 1403, presented a proposed recommendation to change Article 1, Section 1.05, subsection C of the Miami-Dade Charter, requiring that any County employee running for a public elected office take a leave of absence from the County position until the date of election; and if elected, immediately forfeit the County employment to eliminate that requirement and allow County employees to hold a public elected office outside of Miami-Dade County.

Mr. Lawrence Percival advised he had recently met with Mr. Taylor on this issue, and he was surprised the way it was presented today. He voiced his support for changing the language to allow employees to continue their County employment while holding public office outside of Miami-Dade County, and he recommended the language contained in the Charter be reviewed and changed as proposed by the Metro-Dade Fire Fighters. He noted he believed the current requirements were too strict as it related to the fire fighters positions, and employees should allowed to take leave occasionally if performing their jobs satisfactorily instead of having to resign their County position.

Mr. Taylor commented municipalities within the County allowed their employees to hold public office outside of the municipalities, and Miami-Dade County Charter was the only County restricting its employees in that manner. He noted County employees were restricted from performing their civic duties; and it was important to them, as fire fighters, and all public employees that those restrictions be eliminated.

Ms. Yolanda Aguilar advised that a Florida Statute addressed the issue of public office, and she believed it would have to be changed at the statutory level before the Task Force could discuss that recommendation.

In response to Ms. Aguilar's question regarding changing the statutes to address the recommendation made by the fire fighters, Chairman Garcia advised that he did not believed it pertained to the County employees themselves; and he believed the statute pertained to holding office in multiple positions. He noted he would check the mandates of that statute.

Representative John Julien expressed his agreement with Mr. Percival's recommendations inasmuch as he believed most of these public offices were part-time positions and paid very little. He expressed his agreement with the recommendation proposed by the fire fighters, and he suggested the language be changed to say that an employee may remain a County and hold elected office at the same time.

Professor H.T. Smith reiterated the proposal was to allow continuance of County employment and hold public office at the same time.

Mr. Taylor clarified that the language stated "for any office outside of Miami-Dade County," and it referred to an employee's position with Miami-Dade County, which forced the employee to forfeit County employment.

Chairman Garcia suggested the fire fighters recommendation could be referred to the County Attorney's Office for review and be brought back with the County Attorney's recommendations for language if the Task Force members wished to have that recommendation considered.

Representative Julien commented he would like to have the fire fighters' recommendation reviewed.

Mr. Donald Slesnick suggested that the Task Force members request a legal opinion from the County Attorneys, and he recommended that Ms. Greer or a member of another governmental institution be asked about their experience with this issue. He stated federal and state public elected offices were not part-time jobs and required that those officials to absent themselves frequently for months at a time. He expressed his concerns for this issue and asked that Task Force members review the fire fighters recommendation very carefully.

Mr. Hans Ottinot asked that this Task Force review the state statute provisions, especially as it related to appointed officials.

Assistant County Attorney Oren Rosenthal explained the provisions of state statutes relating to holding a public elected position and running for an elected office, noting the state statute as it related to public office holding had two major prohibitions. He advised the statute prohibited an elected official from holding two offices at the same time, and it disqualified an individual to hold an elected office if that individual already was an elected official. He further explained the provisions of the County legislation in comparison to the state's legislation.

Mr. Carlos Manrique reminded the Task Force members that the Chair's instructions were to have a limited amount of petitions placed on the ballot. He suggested that the fire fighters' proposal not be placed on the ballot as a question, and it be reviewed as part of the clean up language if the County Attorneys advised it could be addressed in that manner.

Chairman Garcia noted the County Attorney's report addressed the clean up recommendations, and any other recommendations be discussed as part of that report.

COUNTY ATTORNEY'S REPORTS

- Recommended Technical Amendments to Charter
- Term Limits Discussion

STAFF REPORTS/PRESENTATIONS

- Procurement Presentation

Mr. Amos Roundtree, Director, Purchasing Division of Procurement Management, Internal Services Division, explained the County's internal procurement processes to include the Request

for Qualifications (RFQ), Request For Proposals (RFP), Selection Committee process, responsive bids, and award recommendations.

In response to Representative Carlos Trujillo's inquiry, Mr. Roundtree advised he did not have available the exact number of bid protests filed; but approximately one percent (1%) of all award recommendations were protested annually with a lower percentage over turned.

Chairman Rene Garcia inquired about the relationship between the County Commission and the Selection Committee, the County's selection process, and the level of transparency and influence the County Commission possessed over the procurement process.

Mr. Roundtree explained that the Mayor had the authority to award contracts not exceeding \$1 million based on the contract value and terms. He provided a brief overview of the legislative contract award process to include the committee process prior to being considered by the Board of County Commissioners.

In response to Representative Trujillo's inquiry, Mr. Roundtree advised members of the County Commission were restricted from participating in the Selection Committee and in the selection process of contracts. He noted County Commissioners only participated after the selection process was completed by the department and the contract was recommended for award. He noted the only participation the Board had was at the approval of the award recommendation of contracts.

In response to Representative Trujillo's inquiry regarding the percentage of contract award recommendations approved by the Board and the valid reason for rejecting an award recommendation, Mr. Roundtree advised approximately 99.99% of the contract award recommendations were approved by the Board. He noted in rare instances the department was directed to rebid or renegotiate if the process failed to yield the correct outcome.

Discussion ensued regarding the procurement process and the percentage of contract award recommendations approved.

In response to Mr. Lawrence Percival's inquiry regarding the Mayor's authority to approve contracts not exceeding \$1 million, Mr. Roundtree affirmed the Mayor was allowed to approve contracts not exceeding that amount.

In response to Mr. Percival's question regarding if County Commissioners' staff were allowed to participate in the Selection Committee's and/or with the procurement staff's work during the procurement process, Mr. Roundtree explained County Commissioners' staff were not allowed to be involved in the selection process nor in the work of procurement staff.

Upon concluding the foregoing presentation, Chairman Garcia proceeded to consider the Incorporation/Annexation Presentation

- Incorporation/Annexation Presentation

- 2011 Adopted Millage Rates

Ms. Jennifer Moon, Budget Director, Office of Budget and Management, presented an overview of the incorporation/annexation processes, noting the presentation prepared for the past Charter Review Task Force was distributed to the Task Force's members with some changes made. She commented the incorporation/annexation processes had experienced hardly any changes. She referenced page 17, first bullet point of the presentation; and she stated the County had concerns over the unincorporated areas because it was comprised of small areas of very low valued properties. She corrected the first bullet should read: "in addition to a higher service class it could mean to lower service class depending on decisions made about service delivery in your municipal incorporate area."

Ms. Moon advised the purpose of this presentation was to provide accurate information regarding the incorporation/annexation processes, the next steps to follow regarding what would happen with the community, and how citizens would determine what type of government representation they wished to establish to include the service level and the rate level for those services.

Ms. Moon explained the current incorporation/annexation processes. She noted the Miami-Dade County Municipal Code (the Code) clearly incorporated many steps into the process to ensure it was difficult to incorporate. She noted the Code also provided the Board of County Commissioners with a certain role in the development of municipal boundaries. She advised it had been pointed out to the County Commission on numerous occasions that the electorate desired to have implemented an easier incorporation/annexation process; subsequently, the Code had to be changed to incorporate policy changes allowing an easier process.

Chairman Rene Garcia advised the Task Force members had already expressed an interest to have this initiative reviewed.

Mr. Hans Ottinot commented on the financial analysis prepared by the County for incorporations, how incorporations benefited all parties affected, and his experience with the incorporation process.

Ms. Moon agreed with Mr. Ottinot's views, and she advised that the Office of Budget and Management was currently working on a holistic financial analysis of the impact an incorporation had on the community as a whole because it had several positive aspects to the extent property values and tax rolls were increased. She suggested the per capita cost of government in general should be discussed as opposed to just studying surrounding area of the proposed municipality because incorporation could have a very positive impact to neighboring jurisdictions in the community. She stated the process should not be adversarial, and the constituents' right of self-determination should be supported.

Ms. Evelyn Greer commented on the County's cherry picking practice in connection with the approval of incorporations, noting the growing City of Miami Gardens had been the most benefited from incorporation. She explained the tax revenues breakdown generated by a

municipality, noting the School Board received 40%, the County received 40%, the Fire District received 10%, and the municipality received 10%. She commented incorporation enabled the municipality to qualify for grants at the state and federal levels for which the area was previously unable to access due to limitations established to access that type of funding that only allowed municipal service area to access the funds, and the property tax base had increased substantially.

Ms. Greer reviewed the incorporation process of the Pinecrest area and the budget analysis prepared for that area. She commented that the tax revenues had substantially increased after the area was incorporated, and the area currently generated three times more tax revenues.

In response to Representative Carlos Trujillo's question regarding the increase in tax revenues was due to an increase in the millage rate and/or property values, Ms. Greer advised that the increase in tax revenues for the Miami Gardens and the Pinecrest areas were almost 100% driven by a substantial increase in the value of property in those cities.

Discussion ensued regarding the millage rate in the Pinecrest area.

In response to Representative Trujillo's inquiry regarding whether the incorporation was driven by the desire to improve service delivery and the cost of those services, Ms. Greer responded that incorporations resulted from the dissatisfaction with the quality and cost of services.

Following a discussion regarding the municipal service and millage rates of the Pinecrest area, Councilman Gonzalez noted the impacted community realizes an increase in tax revenues, direct services, and property values as a direct result of incorporations.

Councilman Gonzalez suggested the Task Force should select a subcommittee to study the issue of self-determination.

Ms. Greer advised she would present a proposal, in consultation with the County Attorney's Office, on the incorporation/annexation processes for this Task Force's consideration.

Ms. Moon advised certain financial obligations regarding revenues directly associated to bonds intended to be used within unincorporated areas and franchise fees had to be addressed and incorporated in the discussions.

Mr. Lawrence Percival expressed his disagreement regarding language saying several large incorporation areas and where efforts had been discontinued due to lack of community support, specifically mentioning the East Kendall MAC, West Kendall MAC, and the Northwest MAC. He stated he was unable to recommend the Northwest MAC due to his unfamiliarity with that area, but the East and West Kendall MACs had a tremendous community support even though there was large competition, and some communities had taken the position that lack of community support was the reason it was discontinued.

Mr. Percival advised that in the last few days he had saved articles from the newspaper, and he commented on the issues discussed in these articles. He asked that this Task Force embrace the

concept that Miami-Dade County needed to become a regional government to improve its infrastructure, and incorporations should be driven by self-determination. He submitted a copy of the newspaper articles for the Task Force's staff to distribute for the Task Force members' review and consideration.

Following a brief discussion regarding this Task Force's goals, Chairman Garcia noted incorporations was one of the goals envisioned; and he asked that the County Attorney's Office begin to draft language in this endeavor.

Mr. Percival noted it was not just the issue of incorporation it was also the governance of County government as it related to becoming a regional government.

Chairman Garcia noted that would be the area this Task Force would focus its review.

Mr. Terry Murphy expressed his disagreement with Ms. Greer's proposal to eliminate the Board of County Commissioners' involvement in the incorporation/annexation process. He noted that was the responsibility of the governing body of Miami-Dade County, and he expressed his disagreement with the language contained in the Code. He commented on specific sections of the Charter, noting the current incorporation process was cumbersome and difficult. He stated the Code was the problem, noting it was anti-incorporation/annexation and prevented the incorporation process from moving forward.

Mr. Murphy stated that Planning Advisory Board's (PAB) authority could be increased to require a two-thirds (2/3) vote to allow the County Commission to take an alternative view once the PAB had made a final recommendation on these incorporation/annexation related issues.

Mr. Murphy referenced number 7 of Article 8 relating to the petition process and ordinances. He recommended the Task Force consider extending the time referendum ordinances or repeals were allowed to remain on the books from one (1) year to five (5) years.

Councilman Gonzalez noted Mayor Juan Carlos Bermudez had indicated he wished to comment on this issue, and he asked that the Task Force members wait for his arrival before concluding its discussion.

In regards to Mr. Slesnick inquiry relating to whether a mechanism existed to change existing boundaries between municipalities and for exchange of land masses, Ms. Moon advised the Board of County Commissioners was entrusted with those powers.

Following a discussion regarding the mechanism to repeal ordinances, Mr. Slesnick expressed his agreement with the issue of self-determination; and he noted the incorporation process needed to be streamlined.

Mr. Slesnick expressed his disagreement with the proposal to eliminate the Board of County Commissioners' involvement from the incorporation process.

Professor H. T. Smith noted the Task Force needed to determine what would be the best process. He stated the existing process represented a problem because it was unfair, but County officials should be allowed to adjudicate. He recommended that the Task Force should make it difficult for the County Commission to prevent an area from incorporating, and he expressed his support for reaching a compromise because the County Commission should have a level of involvement in the incorporation/annexation process through prerequisites.

Chairman Garcia concurred with Professor Smith's comments, stating the County Commission should have a level of involvement without being allowed to make the incorporation/annexation process difficult or impossible to move forward.

Mr. Ottinot commented on the existing incorporation process.

Mayor Juan Bermudez joined the meeting.

- Areas of Interest Tally

Chairman Rene Garcia noted the oral feedback given by the members of the public at the public hearing meetings were issues relating to county commissioners' salaries, incorporations/annexations, financial administration of personnel, governance of Jackson Memorial Hospital (JMH), and abolishment of certain policies and functions of the County administration. He asked that Task Force members begin to consider which of those issues should be reviewed.

- Blog Update

Mr. Michael Sarasti, Customer Service Advocate, Miami-Dade Community Information and Outreach, explained that a solution was developed at the request of the Task Force to help solicit additional feedback from the community outside of the Task Force's web page; therefore, a web blog link and website page was established. He noted the Task Force's website had a contact page link to submit comments on the record and include information such as email address and name. He noted a blog link was also included to allow the public to submit informal comments unanimously, and standard notification disclaimers were posted to notify users that privacy rights were not applicable when browsing through the website. He also noted several other solutions were available and many required a fee.

Mr. Sarasti reviewed the contents of the forms and how the comments could be submitted.

In response to Mr. Percival's inquiry, Mr. Sarasti clarified that the blog was not intended for the members of the Task Force to respond to the comments made by the public; and it was just a form to allow the public to have access to the Task Force. He noted it was designed to have the public submit recommendations and comments.

In response to Councilman Gonzalez, Chairman Garcia advised blog link was designed to allow Task Force members to log on and view all of the comments made by the public and to post questions to gather additional input.

Mr. Sarasti noted the web site address was charterreview2012.blogspot.com, and the Task Force's web site also had a link to the blog.

In response to Mr. Percival's inquiry regarding whether the public hearing meeting minutes should be linked to the blog to stimulate thinking, Chairman Garcia advised the minutes were linked to the website.

In response to Mr. Percival's and Councilwoman Garcia-Martinez's inquiries regarding how to access the blog link, Mr. Sarasti explained the blog could be accessed from the outside by logging in to charterreview2012.blogspot.com directly or by typing miamidade.gov/charter.

Mr. Sarasti advised that the blog form could be modified to accommodate the wishes of the members of the Task Force to include viewpoints to solicit input from the public.

Discussion ensued regarding how to access the blog page.

Assistant County Attorney Oren Rosenthal advised that Task Force members should not use this blog page as an opportunity to communicate with others or the public due to the Sunshine Law. He asked that Task Force members refrain from initiating or entertaining a discussion outside of the public process regarding blog responses.

In response to Mr. Murphy's question regarding whether Task Force members should participate in the blog, Chairman Garcia asked that Task Force members refrain from submitting anonymous blog comments on any issues.

Mr. Murphy commented that, even though comments were anonymous, blog comments were traceable, and he noted it represented a discussion form outside of the public process.

Ms. Inson Kim stated the blog link was established as a response to a request made at the Task Force's meeting of May 7, 2012, in order to gather the public's sentiment on issues. She stated the Task Force discussed the issue of individuals who wished to comment on issues without providing their names; and as a result, a mechanism was developed to allow for comments off the record and in an informal manner. She also noted the Task Force needed to determine the party responsible for monitoring the blog link.

Professor H. T. Smith noted the blog link substantially sufficed the intent of the Task Force members provided that several intricate points could be included to monitor the public's sentiment; but the Task Force would not participate as a consequence of the Sunshine Law.

In response to Mr. Percival's inquiry regarding whether Task Force members could confess orations at the official parliamentary, Professor Smith advised he was not sure.

- Follow-up CRTF requests and other business (Translations, Independent Review Panel, Commissioner Moss Item, etc.)

Ms. Greer pointed out that the only reason the City of Miami Lakes was allowed to incorporate was because former Commissioner Seijas retracted her position on incorporations, which helped to facilitate that incorporation. In twenty years, the BCC had never voluntarily allowed the normal incorporation process to move forward, Ms. Greer maintained. She said before 1997, the ordinance was not amended, all incorporation applications had to be approved through the allowable incorporation process, and for the past 20 years, the County Commission had been opposed to incorporation. She noted she would propose a process for this Task Force to consider by first, establishing an Incorporation Committee Ordinance. The Committee would consist of five members who would obtain a petition from the Clerk of Courts in a form set by the Supervisor of Elections.

Concerning Councilwoman Garcia-Martinez' question regarding the 25% signature requirement, Ms. Greer pointed out that the Committee must file the form with the Clerk of the Courts, and it must include a legal description of the area the Committee wished to incorporate and the applicants must provide their names, address, and signature on the form for approval by the Clerk. The form would be forwarded to the Supervisor of Elections to produce a list of valid registered voters from the area described on the petition. The Incorporation Committee would then be given a six month opportunity to collect signatures from valid registered voters of the area who support incorporating. If not supported by at least 10% of the valid registered voters from the described area, the petition should die. Upon certification of the petition by the Clerk that 10% of the valid electors of the described area support incorporation, the Clerk would present the petition to the County Commissioners at the next scheduled regular BCC meeting. At which time, the Commission would set an election date no sooner than 90 days and no later than 120 days. If another election is already scheduled within the same timeframe, the BCC would be authorized to set this election at the same time. Also, during the same timeframe, the Budget Office would complete a financial analysis of the described area. If the citizens vote to approve incorporating, a post election process would be implemented to create a Charter Committee that would create and recommend a Charter which would go before the electors for approval. She noted this is essentially the process followed by all incorporations that were approved. She noted there was vigorous debate and opposition to all the municipalities that incorporated, but the process was a magnificent exercise of the democratic process.

Chairman Diaz noted he was aware that Broward completed a similar process. He asked Ms. Moon to explain whether this process was successful in Broward County, and the rules and procedures imposed on areas that incorporated in Broward County.

Ms. Jennifer Moon, Budget Office, explained that in the early 1990s, Broward County was largely comprised of annexed areas and that Broward, unlike Miami-Dade County, did not have a Home Rule Charter nor an incorporated area that acted as municipality, It was comprised of a number of annexed areas and had no remaining commercial area to provide revenue to service the unincorporated area. Consequently, Broward County officials petitioned the State of Florida, and the State enacted legislation prohibiting piece meal annexations. The State concluded that the entire unincorporated area would be annexed by 2010. Essentially, Broward County adopted annexation policies and worked with the municipalities to ensure that the entire unincorporated

area was annexed. Today or by May 2012, a small piece of unincorporated area remained in Broward County, which was supported with countywide revenues.

Ms. Aguilar noted some areas had completed the incorporation process successfully because the citizens were well-educated on the process; however, other areas lacked knowledge on annexations. She noted concern that if this process became convoluted, some people would make decisions that were not in their best interest due to their lack of knowledge. The County could provide data and information to help educate the general public on the annexation process, and some areas or municipalities, such as the City of West Miami, could provide services at less cost than the County, Ms. Aguilar noted. She noted Task Force members needed to discuss these issues considering the time constraints.

Ms. Aguilar suggested the Task Force recommend that a question be placed on the ballot as to whether or not Miami-Dade County should provide regional services only. She noted the creation of Task Force stemmed from a general consensus among the residents of the community that they were dissatisfied with their District Commissioner.

Mr. H.T. Smith pointed out that Ms. Greer's proposal would eliminate the County Commission from the process. He asked Ms. Greer what the purpose would be of going before the County Commission, and when would the budget review be completed and the financial data available to the public.

Ms. Greer noted once the petition was submitted, the County Commission would set an election. She also noted that once the Incorporation Committee had met its 10% signature requirement and obligations for placing the item on a ballot, the Budget Office would prepare a financial analysis that would be distributed to the public for debate at a public hearing before an election was called.

In response to Mr. Smith's question regarding whether the Budget Office would be given a certain timeframe to complete the financial analysis, Ms. Geer noted that during the 60 days following the Clerk's certification of the petitions, a budgetary analysis on the proposed incorporation shall be completed and the Board of County Commissioners shall schedule at least one public hearing, prior to calling an election.

Chairman Diaz noted the Task Force needed to discuss a plan for incorporation and annexation and make recommendations for a process as it relates to the Charter and the Code.

Mayor Bermudez noted he agreed with Ms. Aguilar's suggestion that a question be placed before the voters on whether or not Miami-Dade County should provide regional services only. He said he believed a process was needed to give areas the right to self govern without any interference from the County Commissioners. He spoke about the issues of mitigation when the Cities of Doral, Palmetto Bay and Miami Lakes incorporated, and the fact that mitigation was imposed on them and not other cities such as Pinecrest and Aventura. He noted Commissioner Seijas was a member of the Committee created by the Board of County Commissioners to hear issues on mitigation, and the Committee concluded that mitigation was unfair because those three cities

would pay taxes in perpetuity to exist. He noted, subsequently, the State's Governor signed a bill repealing mitigation for the three cities; however, the cost to litigate was around \$46 million. He noted the rules were applied differently and subjectively to those cities by the Commission of that time, which was not good government. He said he believed the incorporation process should be very clear, and not governed by the County Commission.

Mayor Bermudez noted annexations were just as important, noting an unincorporated area in the middle of the City of Hialeah for sometime that was only 100 yards away from a municipal fire station and should be a part of the City of Hialeah. He noted he concurred that the public needed clear data on incorporation and annexation and that the residents should have the right to petition their government to incorporate. He noted the task force should consider the most effective ways for the County to deliver services. He noted the Charter needed to be amended to change the process for incorporating.

In response to a question regarding what changes he would like to see, Mayor Bermudez said he certainly would consider a process along the lines of Ms. Greer's proposal that placed the questions before the voters and removed the politics out of it.

Ms. Pamela Perry asked if the budgetary analysis determined that it was not feasible for a proposed area to incorporate, would the information be verified it was released to the public.

Ms. Greer noted in reality, the past budget analysis always showed that the proposed city was not financially fit to incorporate. She gave the examples of the Cities of Pinecrest and Miami Garden, which were either going bankrupt or had a \$20 million deficit at the time they applied for incorporation. She noted the County's analysis and budget statement was a widely published and a document that consisted of various opinions and lots of pros and cons. She noted the Incorporation Committee would be obligated to refute the document and argue that the information was inaccurate.

Ms. Perry asked what would be the criteria for self-determination if the budget analysis showed that it was not financially feasible for the area to incorporate, or would a referendum be placed on the ballot anyway.

Ms. Greer noted the purpose of the financial analysis would be to have the citizens discuss it at a subsequent public hearing. She pointed out that the financial analysis for all past incorporations showed the proposed cities were not feasible financially and could go bankrupt, but what was missing was a post election process for citizens to determine their budget and government size, based on available revenues, and how to provide services with less money.

Mr. Terry Murphy noted he believed that mitigation would not be considered again or imposed on future municipalities, based on past experiences. He appreciated the fact that there had been a different strategic approach about the benefits of the School Board Tax Base versus the Countywide Tax Base that occurred with new incorporations. He noted this issue had never been discussed by the County Commission, in terms of what the cities had done to improve the countywide tax base, Fire District and Libraries District, but the BCC always focused on the

Unincorporated Municipal Service Area (UMSA). He said he felt this was excellent new info that could be brought forth for consideration by the PAB or the CC, that the BCC should have a role in this process, either to accept it or must have a 2/3 vote to override. He noted there was a possibility to open this up with no stop gap; that many areas had incorporated when it was historically shown that it would fail.

Mr. Murphy noted the issues were complex and the ability to cherry picking was an issue, noting that if the Downtown Kendall High Rises decided to incorporate Dadeland they would be able to vote regardless of the impact on the residents of Kendall, and could establish that community, which was bordered by US 1, the Palmetto Expressway and SW 80th Street (Kendall Drive). He said he felt there was a role for some broader government oversight, and agreed with the County Commissioners regarding incorporations over the last twenty years the areas, when they said that all properties identified as commercial and industrial businesses that were viable for the County could not be included. He noted its been said that the current code for incorporation was offensive and created more hurdles than necessary, but the task force needed to find ways to allow the Charter to provide a government body that would ultimately control the process, and to improve the Code to make the process easier.

Ms. Greer pointed out that members of the Planning Advisory Board (PAB) were direct appointees of the Board of County Commissioners, and she believed they could be removed from the PAB if they went against the opinion of their appointee. Regarding industrial/commercial properties, she pointed out that the owners of the buildings in Dadeland did not live in the area, and she did not believe the citizens would organize a referendum to incorporate Dadeland because the residents were opposed to the commercial buildings and owners of the buildings would fight the referendum. Ms. Greer noted the task force needed to find a solution for repealing the existing Incorporation and Annexation Ordinances that were approved by the County Commission but disapproved by the citizens for years. She noted the Task Force should consider the process used by Broward County, which decided to get out of the municipality business and concentrate on regional issues like infrastructure airport development and social services at a countywide level. She said she believed that placing a separate Charter amendment question on the ballot before the voters on whether or not Miami-Dade County should provide regional services only and incorporate all of UMSA might be a great way to test the sentiment of the voters.

Mr. Murphy noted that under the petition process, if someone wanted to repeal the existing ordinances under the Code, they could enact a countywide petition to repeal the entire section of the Code that would stand for five years, instead of one year. He noted that ordinance petitions were presented to the County Commission for acceptance or rejection and would go through the petition process.

Chairman Garcia noted the consensus of the Task Force was to streamline the process to make it easier communities to incorporate; and the County Mayor expected this group to come up with recommendations to streamline the Charter Review process so that the County Attorneys could begin crafting the questions for review next week.

Mr. Slesnick noted he supported Mayor Bermudez' comments that the existing process complicated rather than facilitated incorporation; and that mitigation process and self-determination were unclear. He agreed that the County Government should play a role in speaking for all local residents regarding the future of the County, though in the past, the Commission had impeded what might have been the best course of action.

Mr. Ottinot noted the process needed to be easier and include checks and balances. He noted the Chair said he believed the consensus of this task force was that the County should have a plan in place for incorporations and annexations. He questioned how Task Force members wished to proceed with this issue.

Mr. Percival noted the first step would be to prepare a question asking the voters whether the County Commission should be a regional body, particularly since at least three members suggested this. If the voters approved this question, the next step would be to develop the process for incorporation and annexation.

Mr. Slesnick clarified that the charge of this Task Force was to recommend amendments for revisions to the Charter.

Mr. Percival noted the overarching goal, which was for the County Commission to become leaner, more efficient government that serviced regional areas, and municipalities' service municipal areas through a self-determination process, would require a paradigm shift. The question should ask the voters whether the County Commission (or Miami-Dade County) should be a regional government that dealt with regional issues, and that municipalities be allowed to annex or incorporate without creating donut holes.

Chair asked the Assistant County Attorney to explain the process for placing questions on the ballot.

Assistant County Attorney Oren Rosenthal clarified that the Charter was amended by placing a question on the ballot that was approved by the County Commission via a resolution. For example: The question asks shall the Charter be amended to... and it encompasses the actual change. The ballot question cannot exceed 75 words and must adequately summarize the proposed change. He explained that this Task Force was responsible for reporting to the County Commission how the Charter should be amended and how. Once this process was complete, the County Attorneys would draft a question to be placed on the ballot; and unlike the ballot questions, the Task Forces' recommendations should be specific, but were not limited to 75 words, as the ballot question is.

Ms. Greer noted Mr. Lawrence suggested the Task Force recommend that a question be placed on the ballot calling for Countywide incorporation; however, it was her suggestion that a citizen's initiative petition process rather than imposing countywide incorporations. She said she did not think the residents should be forced to incorporate against their will. Ms. Greer suggested the Task Force create a discussion items as to whether the County Commission's participation in this process should be limited; and that she along with Lawrence and Terry work

with the County Attorneys to draft appropriate recommendations and submit them for review by this Task Force next week.

The foregoing recommendation was accepted by a unanimous consensus of those members present.

Mr. Percival suggested that Mayor Bermudez and Ms. Aguilar work with the County Attorneys to craft the language.

Chair Garcia noted by the time this group reconvenes, two or more proposals would be before them for review, noting although he agreed with some of each suggestion, the final recommendation could be a hybrid. However, they all agreed that a concrete incorporation process must be established.

Mayor Bermudez asked how he would communicate his input on language.

Assistant County Attorney Rosenthal clarified that Government in the Sunshine prohibited Task Force members from discussing these issues via email or any other median other than a publicly noticed meeting.. However, they could schedule a meeting in the Sunshine to discuss these proposals.

Mr. Percival noted that Luis' input would be equally important and should be included in fashioning the language.

Ms. Greer suggested that since this Task Torce was meeting next Wednesday, they could meet on the Monday before Wednesday for a short session to discuss the language.

Mr. Manrique noted he was appointed by Senator Souto, whose Commission District was one of two that did not have a single city. He noted he tended to support some of every proposed suggestion; however, he believed that this body needed to consider the impact on the County Commission became a regional government and the County was incorporated entirely. He recommended that Task Force members keep in mind that the County was moving toward a regional government, but flexibility was need as one the form of that government.

Chair Garcia members of this group had thoroughly debated the issues on incorporation, and they would continue this debate at the next meeting. He suggested they shift their focus to other areas of interest such as term limits.

Assistant County Attorney Rosenthal noted he was asked to review the Charter and identify technical amendments/errors that referenced issues that no longer existed. He referenced page 15, article 1 entitled "Board of County Commissioners," noting Section 1.05 pertains to the forfeiture of office section, which applied not only to the Board of County Commissioners, but in Section B, to the Mayor, the Property Appraiser and all community council members; and, Section C related to appointed County officials. He noted this section was mislabeled and should be re-labeled, "Forfeiture of Office for County Commissioners elected County officials

and all County employees.” Section 1.07 relating to vacancies, dealt with the vacancy of the Mayor, and a section about the Board of County Commissioners, Mr. Rosenthal noted. He noted Article 3, page 22, section 3.01 entitled Election and Commencement of Terms of County Commissioners, which dealt with the term limits of the Commission and Mayor, should be changed to add the Mayor in the title, for clarity.

In response to Mr. Rosenthal’s offer to prepare a document red lining the changes he noted, members of the Task Force accepted.

Mr. Percival noted he recalled a discussion by County Commission regarding the fact that the Charter did not contain language to state who would handle the Mayor’s delegated authority in the event of his/her death.

Mr. Rosenthal this was a policy issue that must be address by this body. He also noted he did believe the language contained in Article 3, Section 3.01 D, and page 22, needed to be changed because it dealt with historical references.

Mr. Percival asked if the proposal that the president of the Fire Union proffered was language that needed to be cleaned up, Mr. Rosenthal said that was sub language.

Mr. Rosenthal noted a prime example of sub language was on page 30, Section 5.08, subsection C entitled Boards, and says for the purpose of cooperating with the Miami Dade Water and Sewer Authority, he noted that Authority was dissolved some years ago.

Mr. Rosenthal noted another technical change on page 26, under Municipal Charter section that says it should be provided in 5.04, should say it should be provided in Section 6.04... and Section 6.05 should cross reference 6.03 instead of 5.03.

Mr. Rosenthal referred to language contained in Section 8.02, entitled Recall, and suggested the title “Sheriff or Constable” should be removed from that section.

It was moved by Terry Murphy that the task force adopt the technical amendments recommended by the County Attorney’s Office. The motion was seconded by Mr. Percival and upon being put to a vote, passed unanimously by those members present. (Ms. Aguilar, Councilwoman Garcia-Martinez, and Representative Trujillo)

Regarding Term limits, Assistant County Attorney Rosenthal noted two questions arose out of the discussions about term limits--- one had to do with whether retroactive term limits would be legal. He noted the Florida Courts have defined term limits as disqualifications and qualifications of Office. He noted a recent Supreme Court case reaffirmed that term limits are qualifications of office and changed the law by saying all charter counties statewide can enact term limits; and there was no definitive case law that defines terms already served as being illegal. Therefore, a charter amendment which would say whether or not term already served was illegal when viewing qualifications for an individual running for office. Some people consider this a retroactive term limit, but it is not truly retroactive but just looking back at what

qualifications would be involved. He noted term limits for these types of offices were not very common due to prior case law, and not much case law existed to support it, and he did not believe it was legally sufficient. Mr. Rosenthal noted the term of a current office holder or elected official could not be truncated, which was an important issue to discuss. He noted all of these questions would have to go on the ballot in November, and term limits could not be placed on the November 2012 ballot that would disrupt the outcome of the August 2012 election. Essentially, Mr. Rosenthal noted terms limits could not be properly placed on the ballot until 2014.

Mr. Julien questioned why the Task Force would propose language that would expose the County Commission to potential law suits since the proposed language did not have any case law to corroborate it.

Assistant County Attorney Oren Rosenthal noted Mr. Julien's question involved a policy matter which must be addressed by Task Force members

Mr. Julien noted he supported the proposal to limit the terms of office prospectively, but not retroactively.

Mr. Percival pointed out that during the public hearings, some individuals proposed that the terms of office for commissioners who had already served eight years, be limited to one additional four year terms; and he questioned the reasonableness of this proposal.

Mr. Julien said he did not believe it was reasonable to allow commissioners who had already completed eight years to serve another term.

Mr. Smith explained that a question regarding term limits was already on the ballot for the November 2012 election. He suggested that members of this Task Force address the question as to whether or not term limits should be retroactive or prospective.

Chairman Garcia questioned the process if members of this Task Force proposed a ballot question involving term limits that was worded differently than the one already on the ballot.

Assistant County Attorney Rosenthal advised that in the event a similar question was placed on the ballot by this Task Force, it would result in competing ballot questions, and would require a determination by the court as to whether one, both or neither question would be placed on the ballot. If both questions were placed on the ballot and approved by the voters, the court could rule that the question receiving the most affirmative votes would take precedence, Mr. Rosenthal noted.

Mr. Manrique pointed out that if commissioners who had already served eight years were allowed to serve one more term those elected in August 2012 would serve until 2020.

Mr. Slesnick suggested Task Force members not consider term limits since a question was already on the ballot.

Mr. Ottinot expressed concern that the existing question on the ballot only limited commissioners to two consecutive terms, as opposed to a lifetime limit of two terms.

Mr. Percival noted he believed that questions involving commissioners' term limits, salaries, and outside employment should be placed on the ballot as separate questions.

Mr. Bermudez questioned whether it was feasible for the County Commission to revise the language involving term limits as contained within the ballot question for November 2012. He suggested the Task Force prepare an alternate ballot question for consideration by the Commission.

Assistant County Attorney Rosenthal advised the County Commission had the authority to remove questions from the ballot; including those recommended by this Task Force before election.

Mr. Gonzalez noted the residents from his community supported retroactive term limits.

Ms. Perry suggested that the growing support for retroactive term limits was a reaction to voter dissatisfaction. She stressed the importance of maintaining institutional knowledge on the County Commission to avoid the potential for greater influence by lobbyists and ensure the County Government remain efficient.

Mr. Bermudez said he believed it was unreasonable to have two, one-year term limits for the Mayor and no term limits for commissioners. He also noted he questioned Ms. Perry's suggestion that limiting commissioners' terms of office would result in the loss of institutional knowledge, noting such knowledge is valued only if applied the right way, and Task Force members should not assume that this was a priority to the voters. With regard to lobbyists, Mr. Bermudez noted lobbyists already had significant influence on County Government.

Mr. Murphy pointed out that the average term of office for commissioners was eight years, noting Single-Member Districts were enacted in 1993 and a total of 32 commissioners had served since that time.

Mr. Smith noted he would support a proposal by this Task Force to limit commissioners' terms of office, even if it was worded similarly as the existing question on the November 2012 ballot.

Mr. Manrique pointed out that commissioners' terms of office were limited, noting the voters had the right to remove commissioners from office every four years; however, commissioners were re-elected repeatedly. He explained that the deadline for placing questions on the November 2012 ballot were the same for this Task Force as it was for the County Commission; and that the findings/recommendations of this group must be placed on the July 17, 2012 County Commission agenda, as this would be the last opportunity for this group to meet that deadline.

Mr. Bermudez noted his comments were not intended to be critical of the County Commission, and he was conveying the sentiment of the residents of his community when he said County government was ineffective. He emphasized the importance for Task Force members to state their position, even if it was consistent with the County Commission's.

Mr. Ottinot suggested the question involving term limits be re-worded to read: Should the County Commission be subject to the same eight-year term limit as the County Mayor.

Ms. Perry suggested if the Task Force worded a question involving term limits the same as the question put forth by the County Commission for placement on the ballot, that the Task Force's proposal be conditioned upon the County Commission removing its question from the ballot.

Chairman Garcia proposed that the County Commission's question remain on the ballot; however, the questions should be reworded differently. He noted the Task Force's proposal involving term limits would offer the public a second question to consider.

Assistant County Attorney Rosenthal advised that the previous Task Force recommended a question be placed on the ballot to make the Property Appraiser an elected office, and that the County Commission put that question on the ballot before the Task Force finished its report.

Ms. Garcia-Martinez concurred with Mr. Bermudez that the Task Force should recommend a ballot question involving term limits, even if it was the same as the County Commission's. She pointed out, however, that her community supported retroactive term limits. She suggested the Task Force recommend the terms of office for commissioners be limited to a 12-year, retroactive term limit to avoid potential lawsuits.

Assistant County Attorney Rosenthal advised that some commissioners had already served more than 12 years, and setting term limits to 12 years would not eliminate the potential for lawsuits.

Ms. Garcia-Martinez noted she had the same position as the residents of her community, who favored retroactive term limits.

Mr. Slesnick suggested that Task Force members take a straw vote on the proposal for retroactive term limits.

Mr. Manrique noted the Task Force had three alternatives regarding term limits:

1. The retroactive approach: prohibit incumbent commissioners from running in the next election;
2. the prospective approach: two full terms from the date of this election, which would allow some commissioners up to 10 more years; and
3. the flexible approach: allow incumbent commissioners one more term regardless of their years in service.

Mr. Garcia noted the flexible approach would be a disservice to commissioners elected during a special election because it would limit their terms of office to six years.

Mr. Smith clarified that the Task Force should first determine whether it supported retroactive term limit, and if so, what form of retroactivity.

Chairman Garcia noted he would conduct a straw vote on the question of term limits being retroactive to allow incumbent commissioners one more term beyond their existing term.

Mr. Ottinot questioned how “term” would be defined. He suggested that commissioners who had served more than two years be considered to have already served one term.

Mr. Bermudez explained that he would support a recommendation from the Task Force for retroactive term limits because it would allow incumbent commissioners to serve a second term, which they were entitled to; as well as a recommendation to place a question on the November ballot that posing the exact same question as the one placed on by the County Commission. He stressed the importance for Task Force members to ensure that this question remained on the ballot in the event the County Commission revised or removed it.

Hearing no other questions or comments, the Task Force considered a straw vote on its recommendation that if the Charter was amended to impose term limits on county commissioners those term limits be applied retroactively to allow incumbent commissioners one more term beyond their existing term; and this motion, upon being put to a vote, failed by a unanimous vote of those members present.

Chairman Garcia questioned whether the Task Force members would support a recommendation to place a proposal limiting term limits for commissioners worded identically to the one placed on the November 2012 ballot by the County Commission.

Mr. Murphy noted he was opposed to term limits in any form.

Ms. Perry noted she concurred with Mr. Murphy in that she did not support term limits.

Mr. Smith noted he supported Bermudez’ suggestion that this Task Force recommended that a question be placed on the ballot asking the voters whether the commissioners’ terms of office should be retroactive term limits that would allow incumbent commissioners suggestion that this Task force recommend a proposal for retroactive term limits because the people/voters would vote for the term limits recommendation, if the Task Force’s support term limits. He further stated that people would not otherwise vote because the County Commission, and probably would vote against this recommendation, if the County Commission supported it.

Ms. Perry noted she did not support term limits.

Is there a motion on the table, it was moved by Mr. Bermudez that the Task Force recommended retro-active two-term limits, for a total of eight years and not consecutive terms. Mr. Smith seconded this motion for discussion.

Mr. Ottinot explained that Mr. Bermudez or the question was the County may be subject to eight-year terms meaning two-term limits (two consecutive four-year terms). Therefore, he stated that the County Commission would be have the same terms limit as the County Mayor or the Task Force could proposal language that sponsored by Commissioner Moss regarding consecutive term limits.

Assistant County Attorney Rosenthal clarified and read the recommendation for the amendment to the Charter would read as follows: “notwithstanding of any other provision of this Charter, effective with the term of Commissioners scheduled to commence 2012, no person shall be elected as Commissioner for more than two consecutive four-year terms. No term of service as a Commissioner commence prior to 2012, shall be considered a part of the County Board for two-term limits.” He stated that the ballot question would read “Shall the Charter be amended to provide that a County Commissioner shall not serve no more than two consecutive four-year terms in office excluding terms of service prior to 2012?”

Mr. Ottinot expressed his concern with a Commissioner elected in November 2012 could then serve 12 years.

Mr. Bermudez stated that any term of service that starts after January 1, 2012, which would be the November term of service would be included in the two consecutive terms.

A brief discussion ensued among the Task Force members comparing the proposed terms of service for County Commissioners with Florida House and Senate representatives; and that the amendment would not impact the County Commissioners who were elected in a special election.

Mr. Bermudez clarified that those Commissioners under this term limit amendment and elected in November 2012 would be able to serve two terms; and those Commissioners elected in November 2014 would get two terms.

Mr. Ottinot recommended that the word “consecutive” be removed from the proposed Charter amendment.

Ms. Perry stated that there was a difference if people liked someone they should have the ability to come back after being in the private sector and if the Task Force was concerned about a rubberstamp the proposal could have language to ensure this proposed Charter amendment regarding term limits be placed on the ballot. She expressed her concern with consecutive terms because the voters should have the right to bring someone back.

Assistant County Attorney Rosenthal explained the difference, the first would be qualification of office so that at the time the person qualified, if you are serving two consecutive terms, you would not be eligible to be a Commissioner for the next term. He further explained if you did not

have consecutive language, you could look back at any time they have served. Mr. Rosenthal provided an example, “if they served for four years of four-year terms 20 years ago, and then re-elected and served another four-year term eight years ago, then they will still never be able to run for the office of County Commissioner.” He stated that the prior eight terms would be the way it worked.

Mr. Ottinot stated that in looking at the executive summary from the previous Task Force, the recommendation was two, four-terms with no consecutive terms passed by a vote 14-0. He stressed obviously the two, four-year terms was strongly recommended and supported by the previous Task Force. Therefore, he expressed he strongly supported this Charter amendment.

Chairman Garcia noted that there was a motion on the table.

Mr. Bermudez questioned how close does this language proposed by the Board of County Commissioners mirrored the language that was placed on the ballot when the County Mayor two consecutive four-year terms were defined.

In response to Mr. Bermudez’ question, Assistant County Attorney Rosenthal stated that he would have to conduct research because the Office of the Mayor commenced in 1996.

Mr. Percival stated could someone be County Mayor for eight years with break for four years, and then come back and run for office again.

The motion by Mr. Bermudez for two, consecutive four-year terms, passed by a vote of 9-2 (Task Force members Mr. Murphy and Ms. Perry voted “No” and Task Force members Mr. Bucelo, Greer, Julien, and Trujillo were absent).

Following this motion, a brief discussion ensued between Mr. Percival and Mr. Slesnick regarding the status of the proposed Charter Amendment based on the vote taken because that was not a majority of the Task Force members.

Assistant County Attorney Rosenthal stated that only a majority of those members present was required for the motion to pass. Therefore, he stated that the recommendation of this Task Force that the County Commissioner terms be limited to two, consecutive four-year terms.

A discussion ensued among the Task Force members regarding the resolution adopted by the County Commission (Resolution No. R-253-12), specifically Sections 7 and, which created the Task Force, and the ability to reconsider any recommendations by a motion at a subsequent meeting.

Chairman Garcia stated that today (517) the Task Force has addressed term limits, incorporation, and reviewed the technical amendments and Assistant County Attorney Rosenthal would present his findings for those amendments at the next meeting. He stated now the Task Force would proceed to discuss any issue of interest that each and every member may have at this time.

Chairman Garcia stated at the next Task Force meeting he would like to discuss the issue of governance at Jackson Health System, and would like to have a presentation on what was going on around the country as it relates to public hospitals and their governance. He expressed it was critically important for this County.

A consensus was reached among a majority of the Task Force members present to discuss salaries for County Commissioners.

Mr. Bermudez noted it would be absent from the May 23, 2012, meeting, and would like to be present for the discussion on ethics and the Office of Inspector General. He noted his intent to proffer some ideas on these two issues.

Ms. Perry stated that she would like to discuss the two-thirds votes for changes to the Urban Boundary Development (UBD) by the County Commissioners. She noted this issue was an ex-Mayoral issue.

Chairman Garcia stated that issue would be discussed at the next meeting.

Ms. Perry stated that we have heard over time that having the requirement for a two-thirds (2/3) vote of the County Commission to vote for changes to UBD was required. She noted that 50% was not control and two-thirds vote was required by the Miami-Dade County Code and not the Charter, which meant the Commission, could roll it back to 50%. She preference her comments by stating that she would like to propose that the two-thirds (2/3) vote requirement be considered by the Task Force and possibility placed the two-third requirement in the Charter so that it could not be rolled back.

Mr. Murphy expressed his concern with the Task Force consideration of the two-third (2/3) vote requirement for changes to the UBD, and how it would fit in the Charter. He stated that a section would have to be created in the Charter to address this issue along with defining this section. He expressed it was more of a legislative issue with so many factors related to it.

Ms. Perry asked Assistant County Attorney Rosenthal to review this issue.

Assistant County Attorney Rosenthal explained the UBD was not in any way defined in the existing Charter. He further explained any recommendation of this Task Force if supported by the County Commission would be placed as a Charter amendment ballot question for the voters.

Mr. Manrique stated that Ms. Perry only stipulated half of what the former Task Force recommended on the UBD issue. He noted that the issue was highly opposed by the Latin Builder Association and the Florida Builders Association. He stated that he still do not comprehend the reason for the opposition. Mr. Manrique stated that the Builder Association contended that allowing staff to drive the UBD was better than having in the Charter. He stated that the Task Force should listen to the builder associations who argued that the UBD was no a line that was set, and it was a moving line through time. Mr. Manrique reminded the Task Force members that our predecessor asked the County Commission to put before the voters on a ballot

that a Charter Review Task Force or a similar body meet every five years to determine whether that UBD line should be moved or not. He noted that according to the builder associations a builder would have to invest approximately \$200,000 to initiate petition to move the UBD line. He stated that he liked the idea of placing UBD legislation into the Charter. Therefore, he stated there would be not changes to the UBD until the Task Force met and makes a recommendation to move the UBD line. Mr. Manrique stated that the builders did not support this idea.

Mr. Percival stated that you all know I am the Mayor's appointee and the Mayor has not dictate that I follow his suggestion, but his suggestion was in his State of the County Address that UBD issue be codified and have 10 votes on the issue. He expressed that he supported a simple majority vote on the UBD issue as it stand now with nine votes and did not have a problem with it be codified in the Miami-Dade County Code. Mr. Percival stated would it hurt to codify this issue if the Task Force as suggested by Ms. Perry at a two-third (2/3) vote requirement.

Mr. Murphy stated he was open to putting in the Charter.

It was moved by Ms. Aguilar that the Task Force recommend the incorporation of language regarding the UBD into the Charter. Ms. Garcia-Martinez seconded this motion.

Mr. Ottinot questioned the time frame for how frequently the UBD issue would be reviewed.

Ms. Perry restated her motion that the current requirement that it took a two-thirds (2/3) vote of the Commission to move the UBD be placed in the Charter.

Mr. Ottinot stated he believed that zoning matter should always be in the Code, and the Charter should be very limited.

A brief discussion ensued among the Task Force members regarding the UBD.

It was moved by Ms. Perry that the Task Force recommend the incorporation of language into the Charter pertaining to the two-thirds (2/3) vote requirement for the UBD. This motion was seconded by Ms. Aguilar, and upon being put to vote, passed by a vote of 10-0 (Task Force members Mr. Bucelo, Greer, Julien, Smith and Trujillo were absent).

A Task Force member announced that he would not be present at the next Task Force meeting scheduled for May 23, 2012, and would like for the Task Force to discuss the Government Supervisor Association and the Police Benevolent Association (PBA) letter regarding the Mayoral Veto on the union impasse items.

Chairman Bermudez stated that the May 23, 2012, meeting would address the ethics and the Office of the Inspector General.

Mr. Murphy suggested that the Task Force discuss the vacancy of the current Mayor's office before the County conducts a special election or a run-off election. He asked that the Task Force address this particular issue and consider a concept that if there was a special election that needs

to happen to fill a vacancy in the office of the Mayor or the County Commissioner seat that we consider using a recent run-off ballot method, which allows voters to state their preference for a second, third or fourth candidate; and then tabulate all in one election. He informed the Task Force members that this method has been used in certain communities in Minneapolis and different areas.

Chairman Bermudez stated that the suggested by Mr. Murphy could be placed on the May 23, 2012, meeting agenda.

Mr. Murphy asked that the appropriate department be prepared to make a presentation on his suggestion at that meeting.

Mr. Ottinot asked that the current benefit package for each County Commissioners be provided to the Task Force in order to discuss the salary issue for the County Commissioners.

In response to Mr. Ottinot's request, Chairman Bermudea stated that information would be provided and available for the next meeting.

Ms. Aguilar clarified the meeting time for May 23, 2012, May 30, 2012, and the June 6, was at 9:00 a.m.

Mr. Murphy requested on the salary issue if staff would prepare for the Task Force using a formula in Miami-Dade County that was the value of the property tax base divided by the population. He asked if the proposed formula be done for five-year increments between the census dates and the five-year estimate. He further stated when you divide the tax base of the entire County it was approximate \$192 million by the population of 2.5 million people it comes up to approximately \$76,000. Mr. Murphy suggested that the Task Force adopt a local formula to be developed instead of the State formula. He asked that staff prepare this information requested and present it to the Task Force.

Mr. Manrique reminded the Task Force of the current petition gathering process for incorporations be presented at the next meeting.

Mr. Percival made closing remarks regarding that the Task Force still have the task of reviewing the former Task Force recommendations. He believed despite what was said in the beginning, if we have to proceed with making recommendations and forward those recommendations for consideration by the County Commission.

Adjournment

There being no further business to come before the Task Force, the meeting adjourned at 1:08 p.m.

May 17, 2012

**Metro-Dade Firefighters Proposed Changes to the
Miami-Dade County Charter**

Article 1 SECTION 1.05.

FORFEITURE OF OFFICE.

C. Any appointed official or employee of Miami-Dade County who qualifies as a candidate for election to any ~~federal, state or~~ municipal office within Miami-Dade County shall immediately take a leave of absence from his or her county position until the date of the election and shall, if elected, immediately forfeit his or her county position. If the candidate is not elected, he or she shall immediately be reinstated to his or her former position.

Outline of Incorporation Charter Amendment Proposal

Concept:

Amend Section 6.05 to create 6.05(a) Incorporation by the Board and 6.05(b) Incorporation by Initiatory Petition. The initiatory provision incorporation process will be modeled after initiatory petition for ordinances and Charter Amendments.

Process:

I. Creation of Committee and Approval of Form of Petition

An incorporation committee organized by electors with a minimum of 5 electors from the proposed area of incorporation will initiate the process by filing with the Clerk of the Circuit Court an initiatory petition on a form prescribed by the Clerk for such purpose. The form shall at a minimum identify the names and addresses of the committee persons and the area to be incorporated. The Supervisor of Elections will compute the total number of electors within the proposed incorporation area at the time of the submission of the form for approval. Within seven (7) days of receipt of the form, the Clerk shall approve the form of petition and provide the incorporation committee the number of required signatures which shall be equal to ten percent (10%) of the electors in the proposed incorporation area.

II. Circulation of Petition

The incorporation committee will have six (6) months to obtain signatures on a form provided by the Clerk equal to ten percent (10%) of the electors in the proposed incorporation area. The signatures shall include the name, address and signature of the elector but will not have to be notarized.

III. Canvass of Petitions

The signed petitions will be submitted to the Clerk who shall have thirty (30) days to canvass the signatures contained therein.

IV. Setting of Election and Study Process

Upon certification of the sufficiency of the signatures on the petition the Clerk shall present the petition to the Board of County Commissioners at their next regularly scheduled meeting at which time the Board shall call an election to authorize the creation of a municipality which shall occur no sooner than ninety (90) and no greater than one hundred twenty (120) days from the date the Clerk certifies the signatures. The election shall be held, whenever practicable, in conjunction with another election scheduled to occur within the proscribed time period. The election shall be determined by an affirmative vote of a majority of electors voting in the proposed new municipality. During the sixty (60) days following the certification of the petitions, the Board shall complete a budgetary analysis in cooperation with the incorporation committee of and on the proposed incorporation and schedule at least one public hearing prior to the incorporation election.

V. Post Election – Charter Creation

Within 30 days after certification of the election, the Board of County Commissioners shall appoint from a list proposed by the incorporation committee a five member Charter Committee which shall, within ninety (90) days after appointment, create a Charter for the newly incorporated area setting forth the form of government and governing body of the newly incorporated area. The new municipality shall have all the powers and rights granted to or not withheld from municipalities by the County Home Rule Charter and the Constitution and general laws of the State of Florida. Upon completion, the proposed Charter will be submitted to the electors of the newly incorporated area no sooner than 60 days and no later than 120 days after it is completed. Upon an affirmative vote of a majority of those electors within the proposed municipality, the municipal charter shall become effective and the municipality shall be created at the time stated in the municipal charter.

County Attorney's Reports

TECHNICAL AMENDMENTS - CAO

**ARTICLE - 1
BOARD OF COUNTY COMMISSIONERS**

* * *

SECTION 1.05. FORFEITURE OF OFFICE >>OF COUNTY ELECTED AND APPOINTED OFFICIALS AND EMPLOYEES<<.

* * *

SECTION 1.07. VACANCIES >>IN THE OFFICE OF MAYOR OR COUNTY COMMISSIONER<<.

* * *

**ARTICLE - 3
ELECTIONS**

SECTION 3.01. ELECTION AND COMMENCEMENT OF TERMS OF COUNTY COMMISSIONERS >>AND MAYOR<<.

* * *

**ARTICLE - 5
ADMINISTRATIVE ORGANIZATION
AND PROCEDURE**

* * *

SECTION 5.08. BOARDS.

* * *

C. Dade County shall retain all its powers, including but not limited to that of eminent domain, in relation to the creation of a county-wide water and sewer system~~[[, for the purpose of cooperating with the Miami-Dade Water and Sewer Authority]].~~

**ARTICLE - 6
MUNICIPALITIES**

* * *

SECTION 6.03. MUNICIPAL CHARTERS.

A. Except as provided in Section ~~[[5.04]]~~ >>6.04<<, any municipality in the county may adopt, amend, or revoke a charter for its own government or abolish its existence in the following manner. Its governing body shall, within 120 days after adopting a resolution or after the certification of a petition of ten percent of the qualified electors of the municipality, draft or have drafted by a method determined by municipal ordinance a proposed charter amendment, revocation, or abolition which shall be submitted to the electors of the municipalities. Unless an election occurs not less than 60 nor more than 120 days after the draft is submitted, the proposal shall be submitted at a special election within that time. The governing body shall make copies of the proposal available to the electors not less than 30 days before the election. Alternative proposals may be submitted. Each proposal approved by a majority of the electors voting on such proposal shall become effective at the time fixed in the proposal.

* * *

SECTION 6.05. CREATION OF NEW MUNICIPALITIES.

The Board of County Commissioners and only the Board may authorize the creation of new municipalities in the unincorporated areas of the county after hearing the recommendations of the Planning Advisory Board, after a public hearing, and after an affirmative vote of a majority of the electors voting and residing within the proposed boundaries. The Board of County Commissioners shall appoint a charter commission, consisting of five electors residing within the proposed boundaries, who shall propose a charter to be submitted to the electors in the manner provided in Section ~~[[5.03]]~~ >>6.03<<. The new municipality shall have all the powers and rights granted to or not withheld from municipalities by this Charter and the Constitution and general laws of the State of Florida. Notwithstanding any provision of this Charter to the contrary, with regard to any municipality created after September 1, 2000, the pre-agreed conditions between the County and the prospective municipality which are included in the municipal charter can only be changed if approved by an affirmative vote of two-thirds (2/3) of the members of the Board of County Commissioners then in office, prior to a vote of qualified municipal electors.

* * *

**ARTICLE - 8
INITIATIVE, REFERENDUM,
AND RECALL**

* * *

SECTION 8.02. **RECALL.**

Any member of the Board of County Commissioners, the Mayor, >>or<< the Property Appraiser[[, the Sheriff or Constable]] may be removed from office by the electors of the county, district, or municipality by which he was chosen. The procedure on a recall petition shall be identical with that for an initiatory or referendary petition, except that:

* * *

Issues of Study

HGT

Miami-Dade County Hospital Governance Taskforce

Chairperson

Juan C. Zapata

Vice Chairperson

Susan Leah Dechovitz

Members

Manuel P. Anton, III

Martha Baker

Michael Barron

Jose Cancela

Lee Chaykin

Edward J. Feller

Robert B. Johnson

Brian E. Keeley

M. Narendra Kini

Marisel Losa

Steven E. Marcus

Ana Mederos

Linda S. Quick

Steven D. Pinkert

Sharon Pontious

Lillian Rivera

Donna E. Shalala

Steven Sonenreich

Hospital Governance Taskforce

Final Report

May 12, 2011

This page intentionally blank

HGT

Miami-Dade County Hospital Governance Taskforce

Chairman

Juan C. Zapata

Vice Chairperson

Susan Leah Dechovitz

Members

Manuel P. Anton, III

Martha Baker

Michael Barron

Jose Cancela

Lee Chaykin

Edward J. Feller

Robert B. Johnson

Brian E. Keeley

M. Narendra Kini

Marisel Losa

Steven E. Marcus

Ana Mederos

Linda S. Quick

Steven D. Pinkert

Sharon Pontious

Lillian Rivera

Donna E. Shalala

Steven D. Sonenreich

Website:

http://www.miamidade.gov/auditor/hospital_governance.asp

Staff Contact:

S. Donna Palmer, Coordinator
Office of the Commission Auditor
(305) 375-4573
spalmer@miamidade.gov

May 12, 2011

The Honorable Joe A. Martinez, Chairman and
Members, Board of County Commissioners
Stephen P. Clark Center
111 N.W. First Street
Miami, FL 33128

Dear Chairman and Members:

It is with great satisfaction that we submit the Hospital Governance Taskforce Final Report with recommendations on alternative models for operating Jackson Health System to ensure it has the governing and financial structure necessary to fulfill its crucial mission. We all agree that Jackson Health System is a vital community resource, and its mission is in jeopardy. 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.

The Taskforce's first meeting was on March 28, 2011, and the last meeting was on May 12, 2011, at which time final recommendations and this report were approved. We are proud to complete our recommendations and final report well within the 90 days authorized by Resolution No. R-30-11.

In our deliberations, we considered and support the recently established Financial Recovery Board. As you, Chairman Martinez, noted in your May 2, 2011 memorandum, the Financial Recovery Board represents "Phase I of a recovery plan," and the Taskforce's recommendations will be considered for Phase II. We urge that the Financial Recovery Board's term be shortened, to coincide with the completion of the implementation of the new governance structure. We also urge immediate establishment and funding of an implementation committee to prepare for and become the new governing body and to ensure continuity in governance and community services.

We thank the Board of County Commissioners for this opportunity to make recommendations on such a critically important subject for the health of this community. We also extend our special thanks to Commissioner Rebeca Sosa for sponsoring the resolution creating this Taskforce. In particular, we thank our fellow Taskforce members, the Office of the Commission Auditor, the Clerk of the Board, and the County Attorney's Office for their valuable contributions to this Taskforce and this community.

c: Juan C. Zapata, Chairman and Members, Hospital Governance Taskforce
Harvey Ruvin, Clerk of Courts
Alina T. Hudak, County Manager
R. A. Cuevas, County Attorney
Charles Anderson, Commission Auditor
Christopher Agrippa, Transitional Division Chief, Clerk of the Board
Division

Juan C. Zapata, Chairman
Hospital Governance Taskforce

Susan Leah Dechovitz, Vice Chairperson
Hospital Governance Taskforce
Miami-Dade State Attorney's Office

Dr. Manuel P. Anton, III, President/CEO
Mercy Hospital

Marisel Losa, MHSA, President/CEO
Health Council of South Florida

See Dissenting Opinion - M. Baker
Martha Baker, RN, President
SEIU Healthcare Florida, Local 1991

Dr. Steven Marcus, President/CEO
Health Foundation of South Florida

Dr. Michael Barron
President, Medical Executive Committee of JMH

Ana Mederos, MBA, CEO
Palmetto General Hospital

Jose Cancela, Principal
Hispanic USA, Inc.

Linda S. Quick, President
South Florida Hospital & Healthcare Assoc.

Lee Chaykin, CEO
Kendall Regional Medical Center

Steven D. Pinkert, MD, JD, MBA
Pinkert & Marsh P.A.

Edward J. Feller, MD

Dr. Sharon Pontious, Representative
Florida Nurse's Association

Robert B. Johnson, Representative
National Association of Public Hospitals
& Health Systems

Lillian Rivera, RN, MSN, Ph.D.
Administrator
Miami-Dade County Health Department

Brian E. Keeley, President/CEO
Baptist Health South Florida, Inc.

Donna E. Shalala, President
University of Miami

Dr. M. Narendra Kini, President/CEO
Miami Children's Hospital

Steven D. Sonenreich, President/CEO
Mount Sinai Medical Center

Miami-Dade County Hospital Governance Taskforce Final Report

Table of Contents

Transmittal Letter	
Table of Contents	i
Executive Summary	iii
I. Introduction.....	1
II. Considerations re: Surtax, Sunshine, Sovereign Immunity, Public Records.....	4
III. Presentations & Interviews	5
IV. Recommendations.....	6
V. Comments	11

Appendices

- A. Resolution No. R-30-11
- B. Meeting Agendas
- C. Meeting Minutes
- D. List of Trust Decisions Subject to the Commission’s Approval (Prior or Subsequent) or the Commission’s Override¹
- E. Legal Issues Attendant to Current Financial Exigencies at PHT²
- F. Legal Opinion Regarding Steward’s Proposal for Acquisition of Jackson Health System³
- G. Sunshine Laws, Public Records, Sovereign Immunity and Public Benefit Corporation⁴
- H. Legal Opinion regarding Resolution R-392-11 Creating a Financial Recovery Board⁵
- I. Background Information Sheets for Healthcare Systems⁶
- J. Governance Options Spreadsheet⁷
- K. South Florida Acute Care Hospitals: Federal, State and Local Funding Sources Spreadsheet⁸
- L. Dissenting View of a Taskforce Member

¹ Attachment from Valda Christian, Assistant County Attorney, email of Mon 4/4/2011 3:25 PM

² R. A. Cuevas, Jr., County Attorney, memorandum of February 25, 2010

³ R. A. Cuevas, Jr. County Attorney, memorandum of March 9, 2011

⁴ Karon M. Coleman, Assistant County Attorney, memorandum of May 6, 2011

⁵ R. A. Cuevas, Jr., County Attorney, memorandum of May 5, 2011

⁶ Data compiled by the Office of the Commission Auditor

⁷ Data compiled by the Office of the Commission Auditor

⁸ Florida Agency for Health Care Administration (AHCA) Medicaid-related Financial Data, FYE2009

This page intentionally blank

Miami-Dade County Hospital Governance Taskforce Final Report

Executive Summary

This report from the Miami-Dade County Hospital Governance Taskforce (Taskforce) presents recommendations resulting from its considerations of alternative governance models available for Miami-Dade County's Jackson Health System. These recommendations represent the general consensus opinion of the Taskforce.

The Taskforce makes eighteen recommendations, including that the recommendations of the Taskforce be viewed in its entirety rather than selectively and that an aggressive timetable be set for implementing the recommendations. The Taskforce also recommends emphasis on Jackson Health System as an integrated healthcare system, rather than a hospital, and that Jackson Health System have an organization and governance structure that provides independence, flexibility, and nimbleness for the organization. Jackson Health System must have a governance model that provides clear lines of accountability to the County government and to the public. Greater accountability is required for the fulfillment of the mission within a sound financial framework, given budgetary restraints, reduced federal and state funding and competitive pressures. The Taskforce recommends that a new governance model, with a diverse board, must be established to remain focused on Jackson Health System's mission and operational and financial performance.

It is the general consensus of the Taskforce that the best governance model for Jackson Health System is for the County to establish a new not for profit corporation to manage and operate Jackson Health System under contract, reserving to the County only certain enumerated powers described in this report or otherwise provided by law.

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 formation of this implementation committee should be immediate and can operate concurrently with the Financial Recovery Board (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.

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, maintenance of effort, etc.)⁹; 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 Taskforce recommends the not for profit corporation have a nine member board of directors, initially appointed by the Mayor and the Board of County Commissioners, serving staggered three-year terms with a three term limit. The Mayor's appointments would be subject to ratification by the Board of County Commissioners. For subsequent appointments, the not for

⁹ There may be changes necessary to applicable law including but not limited to the Code of Miami-Dade County and State statutes to make the 1/2 penny surtax funds and ad valorem funds available to a not for profit corporation or other entity; a voter referendum may be necessary as well. See Appendices F & G.

Miami-Dade County Hospital Governance Taskforce Final Report

profit corporation board will nominate and elect its own membership. Additionally, the Board shall have the power to appoint non-voting ex officio members.

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.

Furthermore, the Taskforce recommends that the governing board 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 family¹⁰ of a member of the board of Jackson Health System, and organizations in which an immediate family member 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. An immediate family member 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.

The full list of Taskforce recommendations is included in the body of this report.

¹⁰ The term "immediate family" means the spouse, parents, step-parents, brothers and sisters, step-brothers and step-sisters, children and step-children of a governing board member.

Miami-Dade County Hospital Governance Taskforce Final Report

I. Introduction

- A. Mission. The Miami-Dade County Hospital Governance Taskforce (Taskforce) was created by Board of County Commissioners (BCC) Resolution No. R-30-11, adopted January 20, 2011, which, in part, cited concerns that the Miami-Dade County “Public Health Trust is in the midst of an economic crisis that appears to be due in large part to its governing structure; and ...the Miami-Dade County Grand Jury in its report dated August 5th, 2010 specifically determined that the Public Health Trust’s ‘governance must be changed.’” In Resolution No. R-30-11, the BCC directed the Taskforce to:

Study possible models for the governance of the Public Health Trust, including but not limited to (a) operation of the Public Health Trust by a private, not-for-profit 501(c)(3) organization with a board of doctors, nurses, community leaders, and health care professionals, as was done, for example, with Tampa General Hospital; (b) operation of the Public Health Trust by an independent tax district, as was done for the North and South Broward Hospital districts; (c) other models, perhaps blending these models, as the Taskforce may decide; (d) and other recommendations regarding the governance and financing of the Public Health Trust, as the Taskforce may decide. In its deliberations and recommendations, the Taskforce shall at all times keep in mind the importance of protecting the interests of the taxpayers of our community. The Taskforce shall complete its work and file an executive summary of its recommendations with the Clerk of the Board no later than 60 days from the first meeting of the Taskforce and will file a final report no later than 90 days from the first meeting of the Taskforce. The Taskforce will cease to exist 100 days from the first meeting of the Taskforce.

The resulting timeline, based on the Taskforce’s initial meeting on March 28, 2011, required the Taskforce to file an executive summary no later than May 27, 2011 and a final report no later than June 26, 2011. Also, the Taskforce is to cease to exist on July 6, 2011.

A copy of Resolution No. R-30-11 is attached as Appendix A of this report.

- B. Membership. The Taskforce consisted of twenty members appointed by individuals or organizations designated in Resolution No. R-30-11. At its first meeting on March 28, 2011, the Taskforce selected Mr. Juan C. Zapata as Chairman and Ms. Susan Dechovitz as Vice Chairperson. The membership list of the Taskforce is listed in Table 1.

Miami-Dade County Hospital Governance Taskforce Final Report

Table 1.
Hospital Governance Taskforce Membership List

Member Affiliation	Chosen By	Name
Chief Executive Officer of Baptist Healthcare System, Inc. or a member of its executive management team	Chief Executive Officer	Brian E. Keeley, President/CEO Baptist Health South Florida, Inc.
Chief Executive Officer of Miami-Children’s Hospital or a member of its executive management team	Chief Executive Officer	Dr. M. Narendra Kini, President/CEO Miami-Children’s Hospital
Chief Executive Officer of HCA Kendall Regional Medical Center or a member of its executive management team	Chief Executive Officer	Lee Chaykin , CEO Kendall Regional Medical Center
Chief Executive Officer of either Hialeah, Northshore Medical Center and Palmetto General Hospital or a member of its executive management team	CEO of Tenet Healthsystems Medical, Inc.	Ana Mederos, CEO Palmetto General Hospital
Chief Executive Officer Mt. Sinai Medical Center or a member of its executive management team	Chief Executive Officer	Steven D. Sonenreich, President/CEO Mount Sinai Medical Center
Chief Executive Officer Mercy Hospital or a member of its executive management team	Chief Executive Officer	Dr. Manuel P. Anton, III President/CEO, Mercy Hospital
Administrator ,or appointee, of the Florida Department of Health-Miami-Dade County Health Department	Administrator	Lillian Rivera, RN, MSN, Ph.D., Administrator, Miami-Dade County Health Department
State Attorney of Miami-Dade County, or designee	State Attorney	Susan Leah Dechovitz Assistant State Attorney Miami-Dade State Attorney’s Office
Individual appointed by the Mayor	Mayor	Jose Cancela, Principal Hispanic USA, Inc.
Individual appointed by the BCC	Board of County Commissioners	Steven Pinkert, MD, JD, MBA Pinkert & Marsh, P.A.
Individual appointed by the BCC	Board of County Commissioners	Marisel Losa, President/CEO Health Council of South Florida
Individual appointed by the BCC	Board of County Commissioners	Donna E. Shalala, President University of Miami
Individual appointed by the BCC	Board of County Commissioners	Juan C. Zapata, Director Pazos, Robaina & Zapata Management
Individual appointed by the BCC	Board of County Commissioners	Edward J. Feller, MD
Representative of unions at the Public Health Trust	Board of County Commissioners	Martha Baker, RN, President SEIU Healthcare Florida, Local 1991
Physician who is a member of the Medical Executive Committee of Jackson Memorial Hospital	Other members of the task force	Dr. Michael Barron, President Medical Executive Committee of JMH
Representative or designee from the National Association of Public Hospitals and Health Systems (NAPH) based in Washington, D.C.	National Association of Public Hospitals	Robert Johnson, Representative National Association of Public Hospitals & Health Systems

Miami-Dade County Hospital Governance Taskforce Final Report

Table 1.
Hospital Governance Taskforce Membership List

Member Affiliation	Chosen By	Name
Representative of the Florida Nursing Association	Florida Nursing Association	Dr. Sharon Pontious, Representative Florida Nurse’s Association
Chief Executive Officer of the Health Foundation of South Florida or a member of its executive management team	Chief Executive Officer	Dr. Steven E. Marcus, President/CEO Health Foundation of South Florida
Chief Executive Officer of the South Florida Hospital & Healthcare Association or a member of its executive management team	Chief Executive Officer	Linda S. Quick, President South Florida Hospital & Healthcare Association

C. Background.

Jackson Health System is an integrated healthcare delivery system licensed for 2,200 beds, has a budget of \$2 billion dollars, and is comprised of six hospitals across three campuses. It includes a health plan, primary care clinics, nursing homes, and responsibility for the care of inmates. It is the largest public system in the United States as reported by Becker Hospital Review in August 2010. Jackson Health System had historically been governed by the Public Health Trust, a dedicated team of citizen volunteers appointed by the Miami-Dade Board of County Commissioners.¹¹ Jackson Health System ensures that all residents of Miami-Dade County receive a single high standard of care, regardless of their ability to pay. It is an academic teaching hospital with a long-standing relationship with the University of Miami and a more recent affiliation with Florida International University.

As cited in Resolution No. R-30-11, the *Final Report of the Miami-Dade County Grand Jury, Fall Term A.D. 2009, re Jackson Health System*, filed August 5, 2010, the Grand Jury determined that the Public Health Trust/Jackson Health System’s “governance system must be changed” (p.3).¹² Additionally, it made more than a dozen other recommendations, pp. 32-33, concerning Jackson Health System governance and oversight, including a recommendation for the creation of a group, such as this Taskforce, to study the best governance model for Jackson Health System.

Another document, *Recommendations Regarding Structure and Governance; Report for Jackson Health System*, National Association of Public Hospitals and Health Systems, January 13, 2008, had been prepared two years prior to the Grand Jury report.¹³ This document had already provided the Jackson Health System with

¹¹ Resolution No. R-392-11, adopted May 3, 2011 by the Board of County Commissioners, implemented an assistive measure, pursuant to Section 25(A)-9(C)5 of the Miami-Dade County Code, in the form of establishing a Financial Recovery Board to help resolve the financial sustainability conditions threatening the Public Health Trust

¹² Available online, http://www.miamisao.com/publications/grand_jury/2000s/gj2009f.pdf

¹³ Available online, http://www.miamidade.gov/auditor/library/Recommendations_Regarding_Structure_Governance_JHS-NAPH.pdf

Miami-Dade County Hospital Governance Taskforce Final Report

extensive information on potentially desirable governance alternatives, much of which remained applicable to the Taskforce's deliberations.

D. Process

Early in its deliberations, the Taskforce considered the appropriateness of initiating a fact-finding investigation regarding Jackson Health System's financial and operational difficulties. The Taskforce decided to focus on the charge of examining alternative governance models which would address issues noted in the previously issued reports, thereby making it feasible to accomplish the Taskforce's mission within the timeframes specified in Resolution No. R-30-11.

Taskforce deliberations and considerations included input from multiple sources, including: national organizations, interviews with selected healthcare system executives from many parts of the country, Jackson Health System executives, available reference materials from professional literature, background research by staff, and extensive input from the Taskforce members themselves.

E. Governance Models – The Taskforce considered each of the following governance models.

- a. Direct Operational Control by the County.
- b. Direct Operational Control by a University.
- c. Public Health Trust with Increased Autonomy.
- d. Hospital Authority or Public Benefit Corporation.
- e. Taxing District.
- f. Not for Profit Organization formed by the County.
- g. Hybrid or Multiple Structures.
- h. For Profit Corporation Governance.

II. Considerations re: Surtax, Sunshine, Sovereign Immunity, Public Records

There was broad consensus in the Taskforce on the imperative of retaining sovereign immunity and obtaining appropriate exemptions from the Sunshine Law and Public Records requirements so as to enable the new entity to be more competitive in the healthcare marketplace. Nevertheless, the Taskforce recognized the challenges presented by applying government laws such as sovereign immunity to the new not for profit corporation. The relationship between Sunshine Law, Public Records Law, and sovereign immunity requirements is complex. Appendices F & G provide guidance on this subject.

Miami-Dade County Hospital Governance Taskforce Final Report

There was equally broad consensus in the Taskforce that maintaining eligibility for the existing ½ penny surtax [Dade County Health Care Improvement Surtax for Jackson Memorial Hospital adopted by referendum in 1991] and ad valorem/general fund support is essential. The Taskforce felt that continued eligibility for the surtax could be dealt with through separate legislative action or contract provisions, as necessary.

- III. Presentations and Interviews – Presentations to and interviews by the Taskforce are listed in Table 2. Additional details are available in the minutes of each meeting.

Table 2
Presentations and Interviews

Meeting	Presenter	Subject
March 28, 2011	Commissioner Rebeca Sosa, Board of County Commissioners	Overview of Taskforce background and mission
	Michael Murawski, Advocate, Commission on Ethics and Public	Conflicts of interest and Code of Ethics
	Karon Coleman and Valda Christian, Assistant County Attorneys	Sunshine Law requirements, Taskforce responsibilities and available reference materials
	John Copeland III, Chairman, Public Health Trust	Public Health Trust overview
	Eneida O. Roldan, MD, MPH, MBA, President & CEO, Jackson Health System	Jackson Health System overview, problems and needs
	Ted Shaw, FHFMA, CPA, Chief Transition Officer, Jackson Health System	Key operating indicators and financial outlook
	Pascal J. Goldschmidt, MD, Dean, University of Miami Miller School of Medicine	Relationship between University of Miami Miller School of Medicine and Jackson Health System
April 7, 2011	Larry S. Gage, President, National Association of Public Hospitals and Health Systems/Partner, Ropes & Gray LLP	“Models for Organizational & Structural Reform” presentation
	Jorge L. Arrizurieta, Member, Public Health Trust	Public Health Trust overview and need for change in governance structure
April 14, 2011	Duane J. Fitch, CPA, MBA, Senior Partner, The Sibery Group, LLC	“Hospital Governance Taskforce (HGT) Presentation”; issues and observations relating to governance and the Public Health Trust
	Tom Traylor, Vice President of State, Local, and Federal Programs, Boston Medical Center, Boston, MA	Teleconference interview
	Johnese Spisso, Chief Health Systems Officer, UW Medicine - Harborview Medical Center, Seattle, WA	Teleconference interview
April 21, 2011	Linda Quick, CEO, South Florida Hospital & Healthcare Association/Taskforce Member	Comparison of Federal, State and Local Hospital Funding Sources
	Elizabeth Reidy, General Counsel, Cook County Health & Hospitals System, Chicago, IL	Teleconference interview

Miami-Dade County Hospital Governance Taskforce Final Report

Table 2
Presentations and Interviews

Meeting	Presenter	Subject
	John Schunhoff, Chief Deputy Director, Los Angeles County Department of Health Services, Los Angeles, CA	Teleconference interview
	Gerard Grimaldi, Vice President, Health Policy & Government Relations, Truman Medical Centers, Kansas City, MO	Teleconference interview
April 28, 2011	Dr. John R. Combes, President and COO, Center for Healthcare Governance	Hospital governance
	Carlos Migoya, President and CEO Elect, Jackson Health System	Introduction and discussion
May 5, 2011	Karon M. Coleman, Assistant County Attorney	Sunshine Laws, Public Records, Sovereign Immunity and Public Benefit Corporation

IV. Recommendations

Overview

Jackson Health System is a vital community resource that faces tremendous challenges, including finances and its ability to compete in a rapidly evolving healthcare industry. Jackson Health System’s mission is in jeopardy under the status quo. Strong steps are needed to address these challenges and to ensure Jackson Health System’s future as an integrated healthcare system.

The basic principles underlining the Taskforce recommendations recognize that the Jackson Health System must have a governance structure that provides independence, flexibility, and nimbleness. The new governance model must provide clear lines of accountability to the County government and the public and fulfill their mission within a sound financial framework, given budgetary restraints, reduced federal and state funding and competitive pressures. In this climate, a new governance model with a more diverse board must be established to remain focused on Jackson Health System’s mission and operational and financial performance.

Furthermore, Taskforce recommendations should be viewed in their entirety rather than selectively; many recommendations are coupled with others.

There was general consensus that the best way to address the concerns would be the creation of a new not for profit corporation to manage and operate the Jackson Health System. The creation of a not for profit corporation that retains the missions of a safety net health system and an academic teaching hospital has clear analogies in Florida (Tampa General) and in other states (Boston Medical Center, Grady Memorial, Truman Medical Centers, and others).

Issues to consider for the successful implementation of a not for profit model include the degree to which the County can legally transfer all of the necessary financial and operating autonomy (including personnel, financial and procurement autonomy) to the new

Miami-Dade County Hospital Governance Taskforce Final Report

corporation. See Appendices F & G for reviews of the issues related to the continued availability of the ½ penny sales surtax and ad valorem/general fund support upon changing from a county public general hospital to any other type of entity. There may also be implications for sovereign immunity and open government laws (Sunshine Law and Public Records Act) when transitioning from a government-run health system to a not for profit run health system. See Appendix G regarding a discussion of Sunshine Law, Public Records Act and Sovereign Immunity.

There was general consensus on 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.)¹⁴ 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.

For example, in formation of the Boston Medical Center, the same legislation that formed the Boston Medical Center also created the Boston Public Health Commission to continue the city's public health responsibilities. The Public Health Commission's "mission is to protect, promote, and preserve the health and well-being of all Boston residents, particularly the most vulnerable."¹⁵ The Public Health Commission was encouraged to establish an advisory committee to act as an oversight entity to monitor the providing of health care in Boston, particularly to the city's vulnerable populations.

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.

¹⁴ There may be changes necessary to applicable law including but not limited to the Code of Miami-Dade County and State statutes to make the 1/2 penny surtax funds and ad valorem funds available to a not for profit corporation or other entity; a voter referendum may be necessary as well. See Appendices F & G.

¹⁵ Extract from Boston Public Health Commission website, www.bphc.org/about/officedirector/Pages/Home.aspx

Miami-Dade County Hospital Governance Taskforce Final Report

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 family¹⁶ 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.¹⁷
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,

¹⁶ The term "immediate family" means the spouse, parents, step-parents, brothers and sisters, step-brothers and step-sisters, children and step-children, of a governing board member.

¹⁷ CS/CS/HB 395 amended Section 1004.41 of Florida Statutes, pertaining to Shands Teaching Hospital and Clinics, and provided sovereign immunity specifically for Shands. However, it should be noted that Shands Hospital is a creation of the state, pursuant to Section 1004.41 of Florida Statutes while Jackson Health System is a county created health system.

Miami-Dade County Hospital Governance Taskforce Final Report

etc.)¹⁸; 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 property¹⁹ 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;

¹⁸ There may be changes necessary to applicable law including but not limited to the Code of Miami-Dade County and State statutes to make the 1/2 penny surtax funds and ad valorem funds available to a not for profit corporation or other entity; a voter referendum may be necessary as well. See Appendices F & G.

¹⁹ Currently, the Public Health Trust has the responsibility to maintain the facilities, not the County. See 25A-4(d) of Miami-Dade County Code.

Miami-Dade County Hospital Governance Taskforce Final Report

- 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 a 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.²⁰

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

²⁰ Yonek J., Hines S., and Joshi M. *A Guide to Achieving High Performance in Multi-Hospital Health Systems*. p. 1, Health Research & Educational Trust, Chicago, IL. March 2010. Available online: <http://www.hret.org/quality/projects/resources/highperformance.pdf>

Miami-Dade County Hospital Governance Taskforce Final Report

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.

V. Comments

The Taskforce recommends that the Sunshine Law and Public Records Act (applicable to public hospitals/healthcare) be amended as necessary to enable a more sustainable business model.

MEMORANDUM

Amended
Agenda Item No. 11(A)(4)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

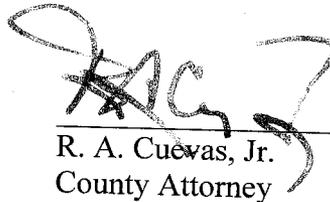
DATE: January 20, 2011

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Resolution establishing the
Miami-Dade County Hospital
Governance Taskforce to study
and report on alternative models
for operating the Public Health
Trust to ensure it has the
governing and financial
structure necessary to fulfill
its crucial mission

Resolution No. R-30-11

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Rebeca Sosa.



R. A. Cuevas, Jr.
County Attorney

RAC/jls



MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez **DATE:** January 20, 2011
and Members, Board of County Commissioners

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Amended
Agenda Item No. 11(A)(4)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Appendix A

Approved _____ Mayor
Veto _____
Override _____

Amended
Agenda Item No. 11(A)(4)
1-20-11

RESOLUTION NO. R-30-11

RESOLUTION ESTABLISHING THE MIAMI-DADE COUNTY HOSPITAL GOVERNANCE TASKFORCE TO STUDY AND REPORT ON ALTERNATIVE MODELS FOR OPERATING THE PUBLIC HEALTH TRUST TO ENSURE IT HAS THE GOVERNING AND FINANCIAL STRUCTURE NECESSARY TO FULFILL ITS CRUCIAL MISSION

WHEREAS, the Public Health Trust is in the midst of an economic crisis that appears to be due in large part to its governing structure; and

WHEREAS, the Miami-Dade County Grand Jury in its report dated August 5th, 2010 specifically determined that the Public Health Trust’s “governance must be changed,” explaining “the path to survival requires a change in the governance model for JHS. Without that level of change, we are asking for this financial disaster to repeat itself, over and over again;” and

WHEREAS, other communities have changed the governing and financial structure of their public general hospitals from a government board to a private, not-for-profit 501(3) organization with a board of doctors, community leaders, and health care professionals, as was done, for example, with Tampa General Hospital; and

WHEREAS, still other communities have changed the governing and financial structure of their public general hospital from a county board to an independent tax district, as was done for the North and South Broward Hospital districts; and

WHEREAS, it will benefit members of the Board of County Commissioners and the people and communities of Miami-Dade County to understand the feasibility and benefits of

these and other models of governance as the Board and the community continue to address the economic crisis at the Public Health Trust; and

WHEREAS, the private hospitals in Miami-Dade County have an immense stake in the continued financial and economic success of the Public Health Trust because, if the Public Health Trust is forced to cutback on the number of indigent patients that it treats, a greater number of indigents will appear at the emergency rooms of the private hospitals and the private hospitals will be forced to provide more care to indigents from their own resources,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that the Miami-Dade County Hospital Governance Taskforce is hereby created:

Section 1. The Taskforce shall study possible models for the governance of the Public Health Trust, including but not limited to (a) operation of the Public Health Trust by a private, not-for-profit 501(c)(3) organization with a board of doctors, nurses, community leaders, and health care professionals, as was done, for example, with Tampa General Hospital; (b) operation of the Public Health Trust by an independent tax district, as was done for the North and South Broward Hospital districts; (c) other models, perhaps blending these models, as the Taskforce may decide; (d) and other recommendations regarding the governance and financing of the Public Health Trust, as the Taskforce may decide. In its deliberations and recommendations, the Taskforce shall at all times keep in mind the importance of protecting the interests of the taxpayers of our community. The Taskforce will complete its work and file an executive summary of its recommendations with the Clerk of the Board no later than 60 days from the first meeting of the Taskforce and will file a final report no later than 90 days from the

first meeting of the Taskforce. The Taskforce will cease to exist 100 days from the first meeting of the Taskforce.

Section 2. Staff for the Taskforce will be provided by the Commission Auditor and additional staff will be provided by the Mayor or Mayor's designee. In addition, the Mayor or Mayor's designee is requested and directed to provide the Taskforce any information or analysis it may request, including from sources such as the County Manager's Office and the Finance Department. The Mayor or Mayor's designee is directed to provide the Taskforce with meeting facilities and appropriate physical and technical support, including equipment necessary to comply with the Sunshine laws.

Section 3. The County Attorney's Office will provide legal advice and guidance to the Taskforce.

Section 4. The Taskforce shall consist of twenty (20) members as follows:

- (1) The chief executive officer of Baptist Healthcare Systems, Inc. or a member of its executive management team chosen by the chief executive officer;
- (2) The chief executive officer of Miami-Children's Hospital or a member of its executive management team chosen by the chief executive officer;
- (3) The chief executive officer of HCA Kendall Regional Medical Center or a member of its executive management team chosen by the chief executive officer;
- (4) A chief executive officer of either Hialeah, Northshore Medical Center and Palmetto General Hospital, or a member of their executive management teams chosen by the chief executive officer of Tenet Healthsystems Medical, Inc.;
- (5) The chief executive officer of Mt. Sinai Medical Center or a member of its executive management team chosen by the chief executive officer;

Appendix A

Amended
Agenda Item No. 11(A)(4)
Page No. 4

- (6) The chief executive officer of Mercy Hospital (or its successor hospital or a member of its executive management team chosen by the chief executive officer;
- (7) The Administrator, or appointee, of the Florida Department of Health-Miami-Dade County Health Department;
- (8) The State Attorney of Miami-Dade County, or designee;
- (9) One person appointed by the Mayor;
- (10) Five persons chosen by the Board of County Commissioners, including four persons with backgrounds in health care, finance, law, or procurement, including one person who is a current or former chief financial officer of a successful local hospital or hospital system; and a fifth person who is an academic or expert in the area of healthcare;
- (11) One representative of the unions at the Public Health Trust chosen by the Board of County Commissioners;
- (12) A physician who is a member of the medical executive committee of Jackson Memorial Hospital, chosen by the other members of the Taskforce;
- (13) A representative, or designee, from the National Association of Public Hospitals and Health Systems ("NAPH") based in Washington, D.C., chosen by the NAPH;
- (14) A representative of the Florida Nursing Association, chosen by the Florida Nursing Association;
- (15) The chief executive officer of Health Foundation of South Florida or a member of its executive management team chosen by the chief executive officer; and
- (16) The chief executive officer of South Florida Hospital & Healthcare Association or a member of its executive management team chosen by the chief executive officer.

Because of the vital importance of this project, the chief executive officers of the hospitals, foundations, and associations named above are strongly encouraged to serve personally on the committee. In the event that chief executive officers cannot serve personally,

they are encouraged to select an equivalent member from the top of their executive management teams.

Any appointment, choice, or assignment of a designee under this section must be documented by the filing of a written record making the appointment, choice, or assignment with the Clerk of the Commission.

The Prime Sponsor of the foregoing resolution is Commissioner Rebeca Sosa. It was offered by Commissioner **Rebeca Sosa**, who moved its adoption. The motion was seconded by Commissioner **Carlos A. Gimenez** and upon being put to a vote, the vote was as follows:

	Joe A. Martinez, Chairman	aye	
	Audrey M. Edmonson, Vice Chairwoman	aye	
Bruno A. Barreiro	aye	Lynda Bell	aye
Jose "Pepe" Diaz	aye	Carlos A. Gimenez	aye
Sally A. Heyman	absent	Barbara J. Jordan	absent
Jean Monestime	absent	Dennis C. Moss	absent
Natacha Seijas	nay	Rebeca Sosa	aye
Sen. Javier D. Souto	aye		

The Chairperson thereupon declared the resolution duly passed and adopted this 20th day of January, 2011. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.



MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: **DIANE COLLINS**

Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

TWL

Thomas W. Logue

This page intentionally blank

Miami-Dade County Hospital Governance Taskforce (HGT)

Meeting of Monday, March 28, 2011 at 8:30 a.m.

The Beacon Council
80 SW 8th Street, Suite 2400
Miami, Florida

AGENDA

- | | |
|---|--|
| Moderator | Mr. Charles Anderson, <i>Commission Auditor</i> |
| 1. Self Introduction of Members | |
| 2. Opening Statement | The Hon. Rebeca Sosa, <i>Commissioner, District 6</i> |
| 3. <u>Presentations</u> | |
| Commission on Ethics & Public Trust | Mr. Robert Meyers, <i>Executive Director</i> |
| County Attorney's Office | Mr. Eugene Shy & Ms. Valda Christian, <i>Asst. County Attorneys</i> |
| Overview of the Public Health Trust (PHT) | Mr. John H Copeland, III, <i>Chairperson, PHT</i> |
| Historical Overview & Presentation on Jackson Health System (JHS) | Dr. Eneida O. Roldan, <i>President & Chief Executive Officer, JHS</i> & Mr. Ted Shaw, <i>Chief Transition Officer, JHS</i> |
| 4. Relationship between UM and JHS | Dr. Pascal J. Goldschmidt, <i>Dean, Medical School, UM</i> & Mr. Ted Shaw, <i>Chief Transition Officer, JHS</i> |
| 5. Organization and Structure of Task Force | |
| - Selection of Chair and Vice Chair | |
| - Selection of additional HGT member (<i>R-30-11, Sec. 4 #12</i>) | |
| - Meeting Schedules | |
| - Decision: Who should write final recommendations for BCC? | |
| 6. Any Other Matters | |
| 7. Closing Remarks | Newly Selected Chairperson |

HGT

Miami-Dade County Hospital Governance Taskforce

Chairperson

Juan C. Zapata

Vice Chairperson

Susan Dehovitz

Members

Manual P. Anton, III

Martha Baker

Jose Cancela

Lee Chaykin

Ed Feller

Robert Johnson

Brian E. Keeley

M. Narendra Kini

Marisel Losa

Steven Marcus

Ana Mederos

Linda Quick

Steven Pinkert

Sharon Pontious

Lillian Rivera

Donna Shalala

Steven Sonnenreich

Website:

http://www.miamidade.gov/audit/or/hospital_governance.asp

Staff Contact:

S. Donna Palmer, Coordinator
Office of the Commission Auditor
(305) 375-2524

spalmer@miamidade.gov

Meeting of Thursday, April 7, 2011 at 3:00 p.m.

HOSPITAL GOVERNANCE TASKFORCE (HGT)

THE BEACON COUNCIL

80 SW 8th Street, Suite 2400

Miami, Florida

AGENDA

- I. ROLL CALL
- II. APPROVAL OF MINUTES - *Meeting of March 28, 2011*
- III. OPENING REMARKS - *Chairperson Juan C. Zapata*
 - Announce New Designee – NAPH
 - Highlights from Sunshine Meeting held Tuesday, April 5, 2011
- IV. ACTION ITEM
 - A. SELECTION OF NEW MEMBER - *(a physician who is a member of the medical executive committee of Jackson Memorial Hospital)*
- V. PRESENTATIONS
 - A. Mr. Larry Gage, President, NAPH
Question & Answer Session
 - B. Ms. Karon Coleman, Assistant County Attorney
Question & Answer Session
- VI. DISCUSSION ITEMS
 - A. WHETHER THE HGT SHOULD SEND A LETTER TO GOVERNOR RICK SCOTT – *Requesting the \$35 million in federal stimulus money for Jackson Memorial Hospital*
 - B. RESIGNATION LETTER FROM DR. MARK C. ROGERS, FORMER PHT MEMBER – *(Added at the request of HGT Member Jose Cancela)*
- VII. OTHER MATTERS
 - A. FUTURE MEETING LOCATIONS
- VIII. ADJOURNMENT

HGT

Miami-Dade County Hospital Governance Taskforce

Chairperson

Juan C. Zapata

Vice Chairperson

Susan Dechovitz

Members

Manual P. Anton, III

Martha Baker

Michael Barron

Jose Cancela

Lee Chaykin

Ed Feller

Robert Johnson

Brian E. Keeley

M. Narendra Kini

Marisel Losa

Steven Marcus

Ana Mederos

Linda Quick

Steven Pinkert

Sharon Pontious

Lillian Rivera

Donna Shalala

Steven Sonnenreich

Website:

http://www.miamidade.gov/auditor/hospital_governance.asp

Staff Contact:

S. Donna Palmer, Coordinator
Office of the Commission Auditor

(305) 375-4573

spalmer@miamidade.gov

Meeting of Thursday, April 14, 2011 at 3:00 p.m.

HOSPITAL GOVERNANCE TASKFORCE (HGT)

State Attorney's Office
1350 NW 12th Avenue
4th Floor Conference Room
Miami, Florida

AGENDA

I. ROLL CALL

II. OPENING REMARKS - *Chairperson Juan C. Zapata*

III. PRESENTATION

A. The Sibery Group, LLC

Mr. Duane J. Fitch, CPA, MBA, Senior Partner

IV. TELECONFERENCE INTERVIEWS

A. Boston Medical Center, Boston, Massachusetts

Mr. Tom Traylor, Vice President of State, Local, and Federal Programs

B. UW Medicine - Harborview Medical Center, Washington, Seattle

Ms. Johnese Spisso, Chief Health Systems Officer

V. DISCUSSION ITEMS

A. **RESIGNATION LETTER FROM DR. MARK C. ROGERS, FORMER PHT MEMBER** – *(Added at the request of HGT Member Jose Cancela)*

B. **JUNIPER ADVISORY- FIRM OVERVIEW** – *(Added by HGT Chair Juan Zapata)*

VI. OTHER MATTERS

VII. ADJOURNMENT

HGT

Miami-Dade County Hospital Governance Taskforce

Chairperson

Juan C. Zapata

Vice Chairperson

Susan Dechovitz

Members

Manuel P. Anton, III

Martha Baker

Michael Barron

Jose Cancela

Lee Chaykin

Ed Feller

Robert Johnson

Brian E. Keeley

M. Narendra Kini

Marisel Losa

Steven Marcus

Ana Mederos

Linda Quick

Steven Pinkert

Sharon Pontious

Lillian Rivera

Donna Shalala

Steven Sonnenreich

Website:

[http://www.miamidade.gov/audit
or/hospital_governance.asp](http://www.miamidade.gov/audit/or/hospital_governance.asp)

Staff Contact:

S. Donna Palmer, Coordinator
Office of the Commission Auditor
(305) 375-4573

spalmer@miamidade.gov

Meeting of Thursday, April 21, 2011 at 3:00 p.m.

HOSPITAL GOVERNANCE TASKFORCE (HGT)

The Beacon Council

80 SW 8th Street, 24th Floor

(The Chase Building - Brickell Area)

Miami, Florida

AGENDA

I. ROLL CALL

II. OPENING REMARKS - Chairperson Juan C. Zapata

III. APPROVAL OF MINUTES – Meeting of April 7, 2011

IV. TELECONFERENCE INTERVIEWS (30 min. each)

A. Cook County Health & Hospitals System, Chicago, IL
Ms. Elizabeth Reidy, General Counsel

B. LA County Department of Health Services, Los Angeles, CA
Mr. John Schunhoff, Chief Deputy Director

C. Truman Medical Centers, Kansas City, MO
Mr. Gerard Grimaldi, Vice President, Health Policy & Government
Relations

V. OVERVIEW (10 min.)

A. Comparison of Federal, State and Local Hospital Funding Sources
(At the request of HGT Member Linda Quick)

VI. WORKING ITEM (remainder of meeting)

A. Discuss/Draft Preliminary Recommendations

VII. ADJOURNMENT

Meeting of Thursday, April 28, 2011 at 3:00 p.m.

HOSPITAL GOVERNANCE TASKFORCE (HGT)

State Attorney's Office
1350 NW 12th Avenue
4th Floor Conference Room
Miami, Florida

HGT
Miami-Dade County
Hospital Governance
Taskforce

Chairperson
Juan C. Zapata

Vice Chairperson
Susan Dechovitz

Members
Manuel P. Anton, III
Martha Baker
Michael Barron
Jose Cancela
Lee Chaykin
Ed Feller
Robert Johnson
Brian E. Keeley
M. Narendra Kini
Marisel Losa
Steven Marcus
Ana Mederos
Linda Quick
Steven Pinkert
Sharon Pontious
Lillian Rivera
Donna Shalala
Steven Sonenreich

Website:
[http://www.miamidade.gov/audit
or/hospital_governance.asp](http://www.miamidade.gov/audit/or/hospital_governance.asp)

Staff Contact:
S. Donna Palmer, Coordinator
Office of the Commission Auditor
(305) 375-4573
spalmer@miamidade.gov

AGENDA

- I. ROLL CALL**
- II. OPENING REMARKS** - *Chairperson Juan C. Zapata*
- III. APPROVAL OF MINUTES** – *Meeting of April 14, 2011*
- IV. TELECONFERENCE PRESENTATION** (30 min.)
Dr. John R. Combes, President and COO
Center for Healthcare Governance, Chicago, IL
- V. INTRODUCTION AND DISCUSSIONS** (30 min.)
Mr. Carlos Migoya, President Elect, Jackson Memorial Hospital
- VI. WORKING ITEM** (*remainder of meeting*)

Discuss/Draft Preliminary Recommendations
- VII. ADJOURNMENT**

Meeting of Thursday, May 5, 2011 at 3:00 p.m.

HOSPITAL GOVERNANCE TASKFORCE (HGT)

Miami-Dade County Health Department

Center of Excellence

8600 NW 17th Street

Miami, FL 33126

HGT
Miami-Dade County
Hospital Governance
Taskforce

Chairperson

Juan C. Zapata

Vice Chairperson

Susan Dechovitz

Members

Manuel P. Anton, III

Martha Baker

Michael Barron

Jose Cancela

Lee Chaykin

Ed Feller

Robert Johnson

Brian E. Keeley

M. Narendra Kini

Marisel Losa

Steven Marcus

Ana Mederos

Linda Quick

Steven Pinkert

Sharon Pontious

Lillian Rivera

Donna Shalala

Steven Sonnenreich

Website:

[http://www.miamidade.gov/audit
or/hospital_governance.asp](http://www.miamidade.gov/audit/or/hospital_governance.asp)

Staff Contact:

S. Donna Palmer, Coordinator

Office of the Commission Auditor

(305) 375-4573

spalmer@miamidade.gov

AGENDA

I. ROLL CALL

II. OPENING REMARKS - *Chairperson Juan C. Zapata*

III. APPROVAL OF MINUTES – *Meeting of April 21, 2011*

IV. WORKING ITEM

Discuss/Draft Preliminary Recommendations

V. ADJOURNMENT

Meeting of Thursday, May 12, 2011 at 3:00 p.m.

HOSPITAL GOVERNANCE TASKFORCE (HGT)

Miami-Dade County Health Department

Center of Excellence

8600 NW 17th Street

Miami, FL 33126

HGT

**Miami-Dade County
Hospital Governance
Taskforce**

Chairperson

Juan C. Zapata

Vice Chairperson

Susan Dechovitz

Members

Manuel P. Anton, III

Martha Baker

Michael Barron

Jose Cancela

Lee Chaykin

Edward J. Feller

Robert Johnson

Brian E. Keeley

M. Narendra Kini

Marisel Losa

Steven Marcus

Ana Mederos

Linda Quick

Steven Pinkert

Sharon Pontious

Lillian Rivera

Donna Shalala

Steven Sonenreich

Website:

[http://www.miamidade.gov/audit
or/hospital_governance.asp](http://www.miamidade.gov/audit/or/hospital_governance.asp)

Staff Contact:

S. Donna Palmer, Coordinator

Office of the Commission Auditor

(305) 375-4573

spalmer@miamidade.gov

AGENDA

I. ROLL CALL

II. OPENING REMARKS - Chairperson Juan C. Zapata

III. APPROVAL OF MINUTES – Meeting of April 28, 2011

IV. WORKING ITEM

Edit/Approve Final Report

V. OTHER MATTERS

VI. CLOSING REMARKS - Chairperson Juan C. Zapata

VII. ADJOURNMENT

This page intentionally blank



**MIAMI-DADE COUNTY
FINAL OFFICIAL MINUTES
Hospital Governance Task Force**

Board of County Commissioners

Stephen P. Clark Government Center
Commission Chambers
111 N.W. First Street
Miami, Florida 33128

March 28, 2011
As Advertised

Harvey Ruvin, Clerk
Board of County Commissioners

Diane Collins, Division Chief
Clerk of the Board Division

Mary Smith-York, Commission Reporter
(305) 375-1598



CLERK'S SUMMARY AND OFFICIAL MINUTES
MIAMI-DADE COUNTY HOSPITAL GOVERNANCE TASKFORCE
MARCH 28, 2011

The Miami-Dade County Hospital Governance Taskforce (HGT) convened a meeting at the Offices of The Beacon Council, 80 S.W. 8th Street, Suite 2400, Miami, Florida, on Monday, March 28, 2011, at 8:30 a.m., there being present members: Manuel P. Anton, III; Martha Baker, Jose Cancela, Susan Dechovitz, Lee Chaykin, Ed Feller, Larry Gage, Brian Keeley, M. Narendra Kini; Marisol Losa; Steven Marcus; Ana Mederos; Steven Pinkert; Sharon Pontious; Alternate member Jaime Caldwell representing Linda Quick; Lillian Rivera; Donna Shalala; Alternate member Amy Perry representing Steven Sonenreich; and Juan Carlos Zapata; (Members Linda Quick and Mr. Steven Sonenreich were absent).

ROLL CALL:

The following staff members were present: Commission Auditor Charles Anderson; Assistant County Attorneys Eugene Shy, Valda Clark Christian, Karon Coleman, and Laura Llorente; Michael Murawski, Commission on Ethics & Public Trust; S. Donna Palmer, Office of Commission Auditor; and Deputy Clerk, Mary Smith-York.

Mr. Charles Anderson, Commission Auditor, called the meeting to order and welcomed everyone to today's (3/28) meeting. He recognized Honorable Commissioner Rebeca Sosa and expressed his appreciation for her leadership and dedication to resolving the issues facing Jackson Health Systems.

1. SELF INTRODUCTION OF MEMBERS:

2. OPENING STATEMENT:

Honorable Commissioner Rebeca Sosa greeted attendees and expressed her appreciation to the Hospital Governance Taskforce (HGT) members for serving as part of this professional group. She presented the reason this task force was created and explained how each member was selected to serve in accordance with his/her area of expertise. Commissioner Sosa expressed special thanks to State Attorney Katherine Fernandez Rundle for her part in creating the task force as a result of the Miami-Dade County Grand Jury's final report concerning Jackson Health System. She provided a brief overview of the HGT's purpose to examine alternative measures and to review models from other hospitals' approaches to governance and make recommendations to the Board of County Commissioners (BCC). Commissioner Sosa expressed her appreciation to the BCC for approving the resolution that created this task force, and to Susan Dechovitz and the State Attorney's Office for their support in bringing this idea into fruition. She emphasized the importance of this function being free of political influence and pointed out that she would leave the meeting immediately following her remarks.

Following Ms. Susan Dechovitz' remarks commending Commissioner Sosa for her courage in coming forward to bring this important issue before the BCC in response to the Grand Jury's Final Report, Commissioner Sosa exited the meeting.

Mr. Anderson presented the order of the day and asked that each member state his/her name and organization affiliation, for the record, before delivering comments or presentations.

3. PRESENTATIONS

Commission on Ethics & Public Trust:

Mr. Michael Murawski, Advocate, Commission on Ethics and Public Trust, distributed to each member a copy of the Conflict of Interest and Code of Ethics, along with a breakdown of the members' responsibilities as board members. He then provided a brief historical overview of the creation of the Miami-Dade Office of Commission on Ethics and Public Trust (COE) in 1996, and its purpose. He noted the COE was created by voters and, therefore, was part of the County's Home Rule Charter. Mr. Murawski advised that the three missions of the COE were to: 1) Provide outreach and training to various groups, boards, etc., 2) Enforce the code, and 3) Give opinions and advice. He highlighted Section 2-11.1, No. 4, (a) Advisory Personnel, and noted the HGT would have limited exclusion from contracting with the County, be required to file financial disclosures and adhere to gifts reporting policies. Mr. Murawski pointed out that Page 15, Subsection (r) "Ethics Commission to render opinions on request," was of utmost importance, and encouraged members to feel free to call the COE for assistance.

County Attorney's Office

. Assistant County Attorney Karon Coleman presented a brief overview of the Sunshine Law and Public Records. She advised members that the Government in the Sunshine and the Public Records Laws applied to their activities while serving on the HGT. She noted her memorandum, provided as a handout today, entitled "Sunshine Law & Public Records," outlined the basic principles for members' reference. Ms. Coleman invited members to approach her colleagues: Assistant County Attorneys Eugene Shy, Valda Clark Christian, Laura Llorente, as well as herself with any questions pertaining to the referenced laws. She read, into the record, the basic principles of the Sunshine Law as reflected in the aforementioned handout, along with detailed explanations. Ms. Coleman congratulated HGT members on their appointments to this board and wished them well.

Assistant County Attorney Eugene Shy asked Assistant County Attorney Valda Clark Christian to provide members with an overview of their responsibilities and information that was being made available for members.

Assistant County Attorney Valda Clark Christian reviewed the resources that were available to members on the Commission Auditor's Website at www.miamidade.gov/auditor/hospitalgovernance.asp. She noted this Website contained various documents, including legal statutes and ordinances. Ms. Clark Christian stated a copy of the Miami-Dade County Home Rule Charter was also available at this site, along with a copy of Section 25-A of the Miami-Dade County Code, which concerned the Public Health Trust (PHT). Additionally, she noted a copy of Chapter 155 of the Florida Statutes, regarding the sale or lease of hospitals, as well as County Resolution R-30-11,

establishing this Hospital Governance Taskforce, were also available. Ms. Clark Christian noted other information available on the Website included: various legal opinions related to financial and service matters; the Final Report of the Grand Jury; issues related to public hospitals before the Florida Legislature this Session; articles regarding governance of hospitals, both general and public; and materials related to Steward Health Care, LLC's (Steward's) Proposal relevant to the PHT.

In response to Ms. Susan Dechovitz' inquiry of whether the County's and/or the Florida Legislature's level of authority over Jackson Health System was documented, Ms. Clark Christian noted the referenced memorandum dated February 25, 2010, related to the County Commission's authority and/or responsibility, with respect to the PHT.

Regarding Ms. Dechovitz' question of whether documents relating to offers by companies, other than Steward's proposal were submitted Assistant County Attorney Eugene Shy advised that he believed other such documents had been submitted to Commission Chairman Joe Martinez. Mr. Shy noted he would make those documents available to each taskforce member as quickly as possible.

Ms. Dechovitz asked that the County Attorney's Office also provide HGT members with continuous updates regarding the proposed legislation relating to hospitals that was currently before the Florida Legislature.

Overview of the Public Health Trust (PHT)

Mr. John Copeland, III, Chairperson, Public Health Trust, expressed appreciation for this opportunity to be a part of this important effort and congratulated taskforce members on their appointments. He emphasized the importance of an early evaluation of how to fix this broken business model and noted a requirement of a solution must include the core business issue as an integral part of the agenda. Mr. Copeland provided a brief historical overview of the PHT, highlighting the following points:

- Creation of the Trust in 1973;
- Governing Body of the Board of Trustees; and
- Powers and duties of the Trust, with the exception of anything with respect to: land and assets; collective bargaining; and final budget approval and healthcare policies.

Mr. Copeland referred members to Chapter 25-A of the County Code for information regarding the special relationship the PHT had with the University of Miami (UM). He pointed out that Chapter 25-A stipulated that any amendments made to the By-laws were valid only upon approval by the Board of County Commissioners. Mr. Copeland noted the composition, size, and responsibilities of the PHT were changed in 2003 when Chapter 25-A underwent a major overhaul, and the Office of Countywide Healthcare Planning was created, under the Office of the County Manager, redefining Jackson's focus solely on planning facilities within the system. Mr. Copeland noted the PHT Board consisted of 17 citizen volunteer members, who were fully committed to Jackson Health System's long-term sustainability. He pointed out that the PHT provided leadership for joint planning between Jackson Health System, University of Miami, Miller School of

Medicine, Florida International University, Herbert Wertheim College of Medicine, Miami-Dade County, and other private and community organizations. Mr. Copeland stated the PHT continued to operate a world class facility recognized for its medical excellence, in spite of the challenges faced over the past 18 months. He advised that JHS' capital needs included the current cash crisis; impending challenges of local, state, and federal levels with respect to funding; anticipated increases in the cost of care; and an aging infrastructure; totaling more than \$1 billion. Mr. Copeland stated a workable solution would need to include resources that funded the mission of covering all community services provided. He noted some of the PHT's objectives included continuing to look for ways to reduce expenses, becoming as efficient as possible, creating a competitive cost structure, aligning better operations with its academic partners, and optimizing contributions from the profitable service lines. Commenting that these fiscal challenges were not unique to the PHT, Mr. Copeland encouraged HGT members to consider models from around the country in their research. He noted he looked forward to working with the HGT and invited members to present him with any of their questions or concerns.

Historical Overview & Presentation on Jackson Health System (JHS)

Dr. Eneida Roldan, President and Chief Executive Officer, Jackson Health System, provided a brief oral presentation of the history and current status of JHS, including the challenges, serving Miami-Dade County for more than 90 years. She described JHS as an integrated healthcare delivery system with 2,200 beds and a \$2 billion budget. Additionally, Dr. Roldan noted JHS was comprised of six hospitals across three campuses, and included a Health Plan, Primary Care Clinics, Nursing Homes, and Inmate Care. She explained the operations and services provided at Jackson Memorial Hospital's main campus and its affiliation with the University of Miami/Miller School of Medicine. Dr. Roldan referenced the half-penny tax referendum that was approved by County residents in 1991, to provide quality care in trauma, burns, children's and other needed medical services. She discussed JHS' 2001 acquisition of Jackson South Community Hospital (formerly Deering) and 2006 acquisition of Jackson North Medical Hospital (formerly Parkway). Dr. Roldan noted that since its inception in 1982 to the present, Jackson Memorial Hospital had continued to fulfill a mission of service to everyone regardless of their ability to pay. She indicated this mission was costly in view of the current national economic downturn and the rapidly changing healthcare industry. Dr. Roldan noted JHS had experienced the same challenges from governance, operations, and a mission of providing services with little resources from the 1970s to today. She commented on a report by the Institute of Medicine last week that listed Miami as having a sicker population than any other city in the U.S. She pointed out that in 1991, JMH provided care to a population of 2 million people and an unemployment rate of 7 percent, versus the 2010 population of 2.5 million people and an unemployment rate greater than 13 percent; notwithstanding a demographics exhibiting greater diversity, an increasing aging population, and widespread migration to various areas of the County. Through the support of Ad valorem taxes, grants, charitable donations, trauma funding, and Building Better Communities General Obligation Bonds, Dr. Roldan noted, greater access of the mission was accomplished. Dr. Roldan noted that in June 2009, a new leadership team brought greater transparency to JHS' old problems of greater demand to reduce cost,

improve efficiencies and consolidate, and fewer resources. Consequently, over the past two years, she stated that JHS had focused on placing blame rather than looking for solutions, which similar entities had found.

Dr. Roldan listed flexibility, knowledge of the current markets, changing reimbursements, and streamlining of the decision-making process as features imperative to creating the change that would sustain JHS. She explained the initiatives used by the new leadership team to reduce losses of \$244 million to the actual loss of \$93 million—a \$151 million turnaround. She added that the team was currently trending toward a loss of approximately \$100 million, which was due mostly to new challenges of declining inpatient volume, reduction in funding, reduction in labor and non-labor costs; in spite of increased cash collections. Dr. Roldan stated there was a current projected loss of \$400 million, including a proposed \$250 million in Medicaid reductions. She stated that to balance a budget with this projected loss and break even at the end of the Fiscal Year would require elimination of much of the JHS that exists today. Dr. Roldan questioned whether JHS could afford to be everything to everyone or would it need to focus on being true to its core mission and those services it could provide with the best healthcare delivery system. She advised that JHS needed to remain viable in a competitive market with a sustainable system for the next 90 years. She emphasized the urgent need for dollars, changes in the healthcare delivery model, and rapid decision-making processes to keep JHS as it existed.

Mr. Ted Shaw, Chief Transition Officer, Jackson Health System, presented a slide show regarding JHS, reiterating comments made by Dr. Roldan and highlighting the following points:

- New challenges facing JHS;
- Year-to-date accomplishments;
- Increase in cash collections of approximately \$42 million;
- Declines in volume and state funding for the indigent;
- Insufficient infrastructure;
- Gap widening between the cost of JHS' mission and available public funds;
- Economy and crisis cost approximately \$200 million in 2009;
- Approximately \$400 million to fulfill mission;
- Cost of mission will increase due to reduction in Medicaid;
- Cash on hand trending well; and
- Labor efficiency struggles to offset unexpected volume declines.

In conclusion, Mr. Shaw noted the challenges were still there and changes needed to be made quickly and jointly to sustain JHS. He stated the alternative to JHS not being there would not be good for the community.

Ms. Martha Baker asked Mr. Shaw to provide HGT members with a copy of the foregoing presentation.

In response to Ms. Baker's inquiry of what percentage of operational efficiencies of improvements was possible, Mr. Shaw advised that after considering labor costs, rates,

and benefits, this facility was still inefficient. He indicated a possible increase to the current 25 percent efficiency of no more than 5 percent was possible.

Dr. Steven Pinkert asked Mr. Shaw to provide HGT members with information regarding losses and efficiencies distributed over facilities and services.

In response to Dr. Kini's question regarding the decline in patient volume versus the rising unemployment rates, Mr. Shaw noted the decline was partly due to aggressive competition among hospitals to get into the Medicaid market. Additionally, he noted patients that JHS help to qualify for Medicaid tend to seek medical services elsewhere once approved. Mr. Shaw also stated the decline could also be driven by insurance companies that consider JMH a high cost provider.

Additionally, Dr. Roldan noted, regarding unemployment, the existence of an increased number of urgent care centers and the inability to capture the outpatient population also contributed to the decline in volume.

In response to Ms. Dechovitz' inquiry regarding JHS' government needs to achieve the required nimble, Mr. Shaw stated the PHT was too large and having to report to too many people, being this Board and the BCC. He suggested there be a 7 to 9 member board with the ability to make the decisions.

In response to Ms. Dechovitz' question regarding the model that would best serve JHS, Mr. Shaw stated a capital partner was necessary regardless of the model selected. He explained that it would not necessarily need to be a hospital and referenced the great partnership JHS experienced with FIU and UM, and noted their inclusion was necessary for the success of this effort.

In response to Ms. Ana Mederos' inquiry of what top ten decisions JHS would make and implement within the next 30 days, if given the authority to do so, Mr. Shaw listed the following: revisit bargaining union contracts to allow more flexibility to operate more efficiently; review the services being provided to rationalize where and what to do; seek financing partners to assist with being more nimble and capturing market share; encourage the legislature to ensure JHS received adequate funding and assignment of health plans; enlist help from public entities to join our health plan; participate in our own health plan; and ensure that the funds and materials that allow the academic programs to train and grow are sustained.

Ms. Martha Baker, as Union President of Healthcare at JHS, requested the HGT to fully understand the operations aspect before making any decisions pertaining to the hospital's governance.

Responding to Ms. Baker's comments, Dr. Donna Shalala, University of Miami President, cautioned the HGT to avoid going beyond its abilities and noted governance could help with the operations aspect. She acknowledged the validity of Ms. Baker's

point; however, she indicated focusing on operations issues too deeply would cause the HGT to go outside its assignment.

In Response to Dr. Kini's inquiry regarding what type backgrounds would be ideal for JHS, Mr. Shaw stated people with backgrounds in finance operations, leadership, and Information Technology, as well as unionized environment management.

Dr. Roldan added that the ideal mix would also include someone who had witnessed and followed the evolution of this community.

Dr. Steve Marcus requested Mr. Shaw and Dr. Roldan to provide HGT members with a financial breakdown on the entire financial state of JHS, including information for those facilities and departments that were profitable and those that were not profitable.

Ms. Mederos requested Mr. Shaw and/or Dr. Roldan to submit to HGT members a written report on recommendations they had made.

Mr. Shaw acknowledged Ms. Mederos' request and noted the JHS would present its 2012 Budget within the next 30 days with several recommendations. He advised a report would be ready for review in two weeks.

Dr. Lillian Rivera, Miami-Dade Health Department, asked Dr. Roldan, as the outgoing CEO, what she desired in terms of governance.

Dr. Roldan stated she would like this panel to look at the community as a whole to determine what was needed in Miami-Dade County. Additionally, she noted looking at the different spectrums and entities and assessing who they are in the community. Dr. Roldan further noted she desired to see a countywide healthcare delivery system, rather than only at JHS and she would like to see the layers of governance. Pertaining to Dr. Rivera's question regarding barriers to JHS' flexibility, Dr. Roldan advised that attempting to rush the system in a short timeframe without having the dollars to do so. She noted the community needed to decide whether a public healthcare system was necessary, since there were no dollars to pay for this costly issue.

In response to Dr. Pinkert's request for clarification on whether the HGT's function was to recommend for JHS being public or private or for who would govern the organization, Assistant County Attorney Shy advised that the HGT's main function was to recommend models of governance. He stated financing was a large component of governance and should be examined with regard to both public/private partnerships and governance issues. Assistant County Attorney Shy clarified his use of financing related to independent districts having statutory authority with the ability to elect a millage after going through the approval process.

Ms. Baker reiterated the importance of the operations aspects prior to addressing the governance issues. She questioned how a diagnosis of what's broken could be made without knowing the basics of where it's broken.

Ms. Dechovitz responded to Ms. Baker's comments stating the HGT needed to look at what model of governance would allow JHS to obtain the level of nimbleness desired, as well as the greatest access to money.

Dr. Shalala referenced the Grand Jury's Final Report and noted the focus was on restructuring so JHS would have access to working and a private investment gap.

Mr. Juan Carlos Zapata noted, based on Dr. Roldan's statement regarding lack of funding, the HGT should decide what type of governance structure would be able to make the imminent tough decisions of what services would be available and who would receive those services.

4. RELATIONSHIP BETWEEN UM AND JHS

Dr. Pascal J. Goldschmidt, Dean, University of Miami-Miller School of Medicine, provided a brief explanation regarding the unique relationship between the University of Miami-Miller School of Medicine (UM) and Jackson Health System (JHS). He noted the affiliation between the two entities started six (6) years ago with a basic affiliation agreement that was last updated in 2004 and an annual agreement that was revised each year. He noted the two organizations were separate entities that shared a common mission to deliver a single standard of care for everyone regardless of ability to pay. Dr. Goldschmidt explained how UM doctors were paid either by reimbursements, by Medicare payments to JMH, or by direct payment from patient insurance companies. He noted the enormous hospital approach to care was no longer valid and stated JMH should be right-sized. Pertaining to private practice issues, Dr. Goldschmidt recommended selecting activities with positive margin attraction and advised that, in a conversation with BCC Chairman Martinez, he suggested a Request for Proposal (RFP) soliciting private partners should be issued.

Dr. Roldan provided a brief summary of the relationship between JHS and Florida International University (FIU). She noted FIU's college of Medicine was currently stationed at Jackson North Medical Center. She further noted conversations were underway regarding moving FIU to Jackson Main campus; however, she noted the issue of sovereign immunity needed to be considered when attempting to locate both UM and FIU at the main campus.

Ms. Baker pointed out that this team would need to consider what options would preserve or sacrifice the sovereign immunity of FIU and UM; as well as whether goals for the legislature to broaden that aspect would be realistic.

Assistant County Attorney Karon Coleman agreed to provide a brief presentation at the next meeting regarding sovereign immunity.

Ms. Dechovitz asked that this group consider creating a list of the existing viable options in an attempt to guide the discussions.

Dr. Roldan noted she would provide, at the next meeting, reasons institutions consolidated or aligned themselves in particular partnerships and what types of partnerships they formed. Additionally, she stated she would address partnership tenures.

Mr. Larry Gage, President, National Association of Public Hospitals and Health Systems (NAPH), distributed a handout entitled "Jackson Health System Comparative Peer Group Analysis." He advised members that he would compile information regarding various models, including explanations for what and why the institutions chose their particular style of governance. Mr. Gage informed members of the necessity of this group to look at the legal powers of the PHT and noted the multiple layers of democracy could be resolved through negotiations between the PHT and the County.

5. ORGANIZATION AND STRUCTURE OF TASK FORCE

Selection of Chair and Vice Chair

Assistant County Attorney Eugene Shy opened the floor to nominations for the Chair of the Hospital Governance Task Force.

Mr. Juan Carlos Zapata declined the nomination, by Dr. Edward Feller, to serve as Chair of the HGT.

Following Ms. Baker's nomination of Mr. Jose Cancela as Chair, Mr. Cancela informed members that he served on the Public Health Trust Foundation from 1990 to 1992 and was currently a consultant, which might be a conflict of interest.

Discussion followed Mr. Cancela's acceptance of his nomination, regarding whether his serving as a consultant to the PHT Foundation constituted a conflict of interest. Upon HGT members' determination that a conflict of interest issue existed, Mr. Cancela withdrew his acceptance and declined the nomination.

Ms. Amy Perry noted, although Ms. Linda Quick was absent, Ms. Quick would be a good choice as chair, due to her vast experience and suggested she be nominated.

Dr. Keeley nominated Ms. Linda Quick to serve as Chair of the HGT.

Mr. Cancela asked Mr. Zapata to reconsider accepting the earlier nomination to serve as Chair, which Mr. Zapata accepted.

Hearing no further nominations, Assistant County Attorney Shy closed the floor to nominations for Chair with the two candidates.

Ms. Smith-York, Clerk, announced the ballot results were as follows: Ms. Linda Quick received two (2) votes and Mr. Juan Carlos Zapata received 14. She noted, for the record, that Mr. Juan Carlos Zapata was selected as Chair of the Hospital Governance Task Force.

Chair Zapata opened the floor to nominations for Vice Chair.

Dr. Shalala nominated Ms. Susan Dechovitz to serve as Vice Chair, and upon hearing no further nominations, the floor was closed to nominations.

Chair Zapata announced that, since there were no other nominations, Ms. Susan Dechovitz was selected as the Vice Chair.

Selection of Additional HGT member

It was moved by Dr. Edward Feller, that the selection of additional HGT members be deferred to the next meeting. This motion was seconded by Mr. Cancela, and upon being put to a vote, passed by a unanimous vote of those members present.

Meeting Schedules

Following discussion among members regarding the best time and location for future meetings, the HGT decided to convene every Thursday of each week at 3:00 p.m., for the next 90 days, beginning April 7, 2011. The location would remain at the Beacon Council Offices, 80 SW 8th Street, Suite 2400, Miami, Florida, unless that site was unavailable, at which time an alternate location would be advised.

Decision – Who Should Write Final Recommendations for BCC

Discussion ensued among members regarding the final recommendations and the need for strict adherence to the Sunshine Law throughout the development of said recommendations.

6. OTHER MATTERS

Dr. Shalala asked staff to provide HGT members with a listing of the future meetings.

7. ADJOURNMENT:

There being no further discussion, the Hospital Governance Task Force meeting was adjourned at 11:52 a.m.



Juan C. Zapata, Chairperson
Miami-Dade Hospital Governance Task Force

Appendix C

SUMMARY AND OFFICIAL MINUTES
SUNSHINE MEETING
MIAMI-DADE COUNTY HOSPITAL GOVERNANCE TASKFORCE
APRIL 5, 2011

The Miami-Dade County Hospital Governance Taskforce (HGT) Sunshine meeting was held at the Office of the President of the University of Miami (UM), 1252 Memorial Drive, Ashe Building, Room 230, Coral Gables, Florida, on April 5, 2011 at 3:00 p.m., there being present: Chair Juan C. Zapata, Vice-Chair Susan Dechovitz, and Members Martha Baker, Ed Feller, Robert Johnson, Brian Keeley, Linda Quick, Steven Marcus, and Donna Shalala.

Others present were: Dan Ricker, Watchdog Report; Joaquin del Cueto, Public Health Trust; University of Miami representatives J.C. Del Valle, Jackie Menendez, Bill Donelan, and Joe Arriola; Stacy Kilroy, Mount Sinai Medical Center; Paul Silverman, State Attorney's Office; and Lorraine Nelson, Jackson Health System Public Relations

The following staff members were present: Assistant County Attorneys Eugene Shy, Laura Llorente, and Valda Christian; Janet Perkins, Director, Office of Countywide Healthcare Planning; Ruben J. Arias, County Commission District 7; Marcos San Martin, County Commission District 6; Gary Collins and S. Donna Palmer, Office of the Commission Auditor.

Chair Zapata called the meeting to order at 3:11 p.m. and noted the purpose of the meeting was to review and organize the materials presented on hospital governance in preparation for the HGT meeting on Thursday, March 7, 2011.

The items for discussion were:

1. Setting parameters as criterion/principles
2. Revising the Hospital Governance Change Cross-Referenced Matrix prepared by staff

Dr. Feller expressed the need for a criterion/principles list to determine how the governance structure should be created. The following members offered items to be added to the list - Chair Zapata, Vice Chair Dechovitz, Martha Baker, Ed Feller, Robert Johnson, Linda Quick, and Donna Shalala. Mr. Robert Johnson offered to work with staff to compile a combined list of criterion/principles for discussions at the taskforce meeting scheduled for Thursday, April 7, 2011. The objective of the taskforce will be to rank the criterion/principles based on priority.

Discussions ensued among members on ways to revise the Hospital Governance Change Cross-Referenced Matrix. It was suggested that a comprehensive matrix with additional columns on related characteristics should be added. A governance models handout from Ms. Linda Quick was also discussed. Ms. Quick offered to work with staff to incorporate the information from her handout into the cross-referenced matrix. It was suggested that the following five (5) hospital models be included in the revised matrix - Detroit, Cook County, Parkland, Philadelphia and LA County. Chair Zapata noted

Appendix C

that the revised matrix would be presented at the next meeting to determine the top models for consideration. He added that after the top models were selected, CEOs and/or trust members, familiar with those models, would be invited to make presentations at future taskforce meetings.

Having concluded discussions on the criterion/principles list and cross-referenced matrix, the meeting was adjourned at 4:52 p.m.



Juan C. Zapata, Chair



**FINAL OFFICIAL
MEETING MINUTES
Miami-Dade County Hospital Governance
Taskforce (HGT)**

Beacon Council Office Facility
80 S.W. Eighth Street, Suite 2400
Miami, Florida 33130

April 7, 2011
As Advertised

Harvey Ruvin, Clerk
Board of County Commissioners

Diane Collins, Acting Division Chief
Clerk of the Board Division

Mary Smith-York, Commission Reporter
(305) 375-1598



CLERK'S FINAL OFFICIAL MEETING MINUTES
MIAMI-DADE COUNTY HOSPITAL GOVERNANCE TASKFORCE
APRIL 7, 2011

The Miami-Dade County Hospital Governance Taskforce (HGT) convened a meeting at the Offices of The Beacon Council, 80 S.W. 8th Street, Suite 2400, Miami, Florida, on Thursday, April 7, 2011, at 3:00 p.m., there being present Chairperson Juan Carlos Zapata, Vice Chairperson Susan Dechovitz, and Members: Martha Baker, Jose Cancela, Ed Feller, M. Narendra Kini, Marisel Losa, Steven Marcus, Ana Mederos, Linda Quick, Sharon Pontious, Lillian Rivera, Donna Shalala, Alternate member Amy Perry representing Steven Sonenreich, and George Foyo representing Brian Keeley, (Members Manuel P. Anton III, Lee Chaykin, Brian Keeley, Steven Pinkert, and Steven Sonenreich were absent).

I. ROLL CALL:

The following staff members were present: Assistant County Attorneys Valda Clark Christian, Karon Coleman, and Laura Llorente; Gary Collins, S. Donna Palmer, and Noel Aranha, Office of Commission Auditor; and Deputy Clerk Mary Smith-York.

Chairman Juan Zapata called the meeting to order at 3:10 p.m.

II. APPROVAL OF MINUTES

The following corrections to the March 28, 2011, minutes were requested:

- page 5, last sentence, change the word "needed" to "possible;"
- page 6, 3rd paragraph from bottom, line 2, after language "...30 days..." add the phrase "if given the authority to do so;"
- page 7, insert the following language as paragraph 3: "Dr. Steve Marcus requested Mr. Shaw and Dr. Roldan to provide HGT members with a financial breakdown on the entire financial state of JHS, including information for those facilities and departments that were profitable and those that were not profitable;"
- page 10, correct language under the heading "Decision-Who Should Write Final Recommendations for BCC," to reflect no determination as the entire HGT would perform that task; and
- page 7, paragraph 3, delete "the Jackson Foundation" and insert "recommendations they had made."

It was moved by Dr. Feller that the March 28, 2011, meeting minutes be approved as amended with the foregoing changes. This motion was seconded by Ms. Mederos, and upon being put to a vote, passed unanimously by those members present.

III. OPENING REMARKS

Chairperson Zapata announced that Mr. Robert Johnson was the new designee from Nation Association of Public Hospitals and Health Systems, replacing Mr. Larry Gage. He summarized the purpose of the Sunshine Meeting held Tuesday, April 5, 2011, and highlighted the following points: developing questions from draft criterion/principles; brainstorming issues for inclusion in the final recommendation; reviewing matrix developed by Gary Collins and Linda Baker comparing various governance structures.

Chairperson Zapata provided a brief overview of conversations he had with the Governor's office and representatives of other entities relevant to hospital governance regarding Jackson Health System (JHS) and the Public Health Trust (PHT). Chairman Zapata noted he asked staff to prepare a report reflecting amounts and percentages based on growth rates and revenues on low compensated care in Miami-Dade County, and a list of PHT decisions that required County Commission approval.

IV. ACTION ITEM

A. Selection of New Member

It was moved by Dr. Shalala that Dr. Michael Barron be selected as the new member representing the Medical Executive Committee of Jackson Memorial Hospital. This motion was seconded by Dr. Feller, and upon being put to a vote, passed unanimously by those members present.

V. PRESENTATIONS

A. Mr. Larry Gage, President, NAPH

Mr. Gage provided a PowerPoint presentation entitled Models for Organizations & Structural Reform and highlighted the following points:

- What is a typical public hospital?
- Why do public hospitals restructure?
- Case Studies of structural reforms

Mr. Gage concluded his presentation by listing issues to be considered and invited members to ask any questions they might have.

Dr. Shalala asked Mr. Gage to identify alternatives for academic health centers.

A question and answer session ensued among HGT members and Mr. Gage, regarding what Mr. Gage would recommend for the existing structure at JHS, what governance issues drove the health centers to restructure, what type of community outreach were the majority of hospitals looking into, what amount of outsourcing was occurring in smaller hospitals

Vice Chairperson Dechovitz suggested the HGT finalize its list of criterion on non-negotiable issues for implementation within the JHS, and submit that list to Mr. Gage for further tweaking and identifying governance models that would be realistic for this system.

B. Ms. Karon Coleman, Assistant County Attorney

Ms. Coleman advised Hospital Governance Task Force members that if they had not yet submitted a financial disclosure form, they should not do so. She noted the Commission on Ethics and Public Trust, in conjunction with the County Attorney's Office, had determined that it was not necessary to make a filing, and forms would be returned to those who had filed.

C. Mr. Jorge L. Arrizurieta, Trustee, Public Health Trust

Mr. Arrizurieta appeared before the HGT and introduced fellow Trustees, Mr. Martin Zilber and Mr. Joaquin del Cueto. Mr. Arrizurieta provided a brief overview of the PHT and the need for a change in its governance structure. He highlighted four areas that needed to be addressed: 1) budget process, 2) unfunded or under-funded mandates, 3) employment costs, and 4) overhaul of the University of Miami/Jackson Health System and the Florida International University/Jackson Health System relationships. In response to Chairperson Zapata's inquiry of a recommended model, Mr. Arrizurieta indicated his personal recommendation would be the Tampa model. He noted Grady Health Center in Atlanta, Georgia, was his recommendation for outside of the Florida area.

Following discussion, HGT members agreed to invite representatives from the following medical centers to make presentations at the next meeting: 1) Truman, 2) Cook County, 3) Harborview/UW, 4) Boston, and 5) LA County.

Chairperson Zapata explained that, although the representatives from the aforementioned medical centers would be invited to present at next Thursday's meeting, written reports should be prepared for the entire list of centers, including Tampa, Grady, Truman, Denver, Cook, Palm Beach, Boston, LA County, and Harborview/UW.

Discussion ensued regarding the timeframe necessary to prepare questions for the presenters, how the questions would be prepared, who would present the questions to the presenters, and whether the presentation should be in person or teleconferenced. Members agreed to format the existing criterion/principles into questions and submit them to the Commission Auditor's staff, who would work with Ms. Linda Quick to organize them.

Assistant County Attorney Karon Coleman advised members to submit any comments they had on the questions to Ms. S. Donna Palmer in the Office of the Commission Auditor for placement on the Website.

In response to Dr. Shalala's suggestion that individual members submit questions to Ms. Palmer for placement on the web, Mr. Gary Collins suggested members email input to Ms. Palmer, for organizing and placement on the web.

Chairperson Zapata advised that the remaining items on today's agenda would be discussed at the next meeting. He advised that the next meeting (4/14) would be held at the State Attorney's Office and the following meeting on the 21st would be held at the Beacon Council facility.

Members scheduled a Sunshine Meeting on Monday, April 11, 2011 from 4:00 p.m. – 5:00 p.m. at the State Attorney's Office located at 1350 NW 12th Avenue, 4th Floor Conference Room, to finalize interview questions.

VI. DISCUSSION ITEMS

Deferred to April 14, 2011

VII. OTHER MATTERS

Deferred to April 14, 2011

VIII. ADJOURNMENT:

There being no further business to come before the HGT, the meeting adjourned at 6:12 p.m.



Juan C. Zapata, Chairperson
Miami-Dade Hospital Governance Task Force

SUMMARY AND OFFICIAL MINUTES
SUNSHINE MEETING
MIAMI-DADE COUNTY HOSPITAL GOVERNANCE TASKFORCE
APRIL 11, 2011

The Miami-Dade County Hospital Governance Taskforce (HGT) Sunshine meeting was held at the State Attorney's Office, 1350 NW 12th Avenue, 4th Floor Conference Room at 4:00 p.m., there being present: Members Martha Baker, Robert Johnson, Lillian Rivera, Donna Shalala, and Alternate member Jaime Caldwell representing Linda Quick.

Others present were: Paul Silverman, State Attorney's Office; Lorraine Nelson, Jackson Health System Public Relations; and Joaquin del Cueto, Public Health Trust

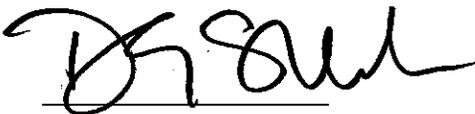
The following staff members were present: Assistant County Attorneys Valda Christian and Laura Llorente; and Gary Collins and S. Donna Palmer, Office of the Commission Auditor.

Member Donna Shalala called the meeting to order at 4:04 p.m. The purpose of meeting was to discuss and finalize the list of suggested questions for other hospitals/health systems leadership, for the teleconference interview scheduled for Thursday, April 14, 2011.

Discussion ensued among members and the following suggestions were made:

1. Staff should prepare a FACT sheet on the hospitals/health systems to be interviewed.
2. Five (5) structure questions will be selected for use during the interviews.
3. The selected interview questions should be sent to the interviewees prior to the meeting.

Having concluded discussions on the interview questions, the meeting was adjourned at 4:55 p.m.



Donna Shalala



**FINAL OFFICIAL
MEETING MINUTES
Miami-Dade County Hospital Governance
Taskforce (HGT)**

State Attorney's Office
1350 NW 12th Avenue
4th Floor Conference Room
Miami, Florida

April 14, 2011
As Advertised

Harvey Ruvin, Clerk
Board of County Commissioners

Diane Collins, Acting Division Chief
Clerk of the Board Division

Mary Smith-York, Commission Reporter
(305) 375-1598



CLERK'S FINAL OFFICIAL MEETING MINUTES
MIAMI-DADE COUNTY HOSPITAL GOVERNANCE TASKFORCE
APRIL 14, 2011

The Miami-Dade County Hospital Governance Taskforce (HGT) convened a meeting at the Offices of The Beacon Council, 80 S.W. 8th Street, Suite 2400, Miami, Florida, on Thursday, April 14, 2011, at 3:00 p.m., there being present Chairperson Juan Carlos Zapata, Vice Chairperson Susan Dechovitz, and Members: Manuel P. Anton III, Dr. Michael Barron, Martha Baker, Ed Feller, Brian Keeley, Marisel Losa, Linda Quick, Steven Pinkert, Sharon Pontious, Lillian Rivera, Donna Shalala, Steven Sonenreich, (Members Jose Cancela, Lee Chaykin, Robert Johnson, M. Narendra Kini, Steven Marcus, and Ana Mederos were absent).

I. ROLL CALL:

The following staff members were present: Assistant County Attorneys Karon Coleman and Laura Llorente; Charles Anderson, S. Donna Palmer, Angie Martinez, and Noel Aranha, Office of Commission Auditor; and Deputy Clerk Mary Smith-York.

Chairman Juan Zapata called the meeting to order at 3:02 p.m.

II. OPENING REMARKS:

Chairperson Juan C. Zapata advised members that he had placed additional items on today's (4/14) agenda. He invited HGT members to also place items pertaining to governance and the efforts of this Task Force on the agenda by submitting the information to Ms. Palmer in the Commission Auditor's Office. Mr. Zapata suggested that members look at "The Privatization of Public Hospitals" article on the Website and review the various processes and procedures used by hospitals.

Mr. Zapata reminded members of the need to determine the type of recommendations they would make to the County Commission, and noted he would like the Task Force to ratify its submission at the May 12, 2011 HGT meeting. He expressed his preference to propose several options for the County Commission to consider; however, the Task Force could decide to present one option or multiple scenarios.

III. PRESENTATIONS

A. The Sibery Group, LLC

Mr. Duane Fitch, Senior Partner and Chief Financial Officer, The Sibery Group, LLC, appeared before the Task Force and provided a brief historical overview and introduction of The Sibery Group organization. He presented a PowerPoint presentation covering the following topics: Importance of Taskforce; Immediate Issues Independent of Governance Discussion; Current Governance Model; Governance Effectiveness vs. Governance Structure; Operational Issues Universal to All Governance Models; PHT Observation; and Miami-Dade County Observation. Mr. Fitch emphasized the importance of a governance dashboard to be in place.

Dr. Edward Feller concurred with Mr. Fitch's point regarding the Public Health Trust (PHT) board members' lack of experience in hospitals, management, healthcare, and finances. He also agreed that the political influence of the Board of County Commissioners was detrimental to the success of the hospital board.

IV. TELECONFERENCE INTERVIEWS

A. Boston Medical Center

Mr. Tom Traylor, Vice President of State, Local, and Federal Programs, Boston Medical Center, briefly highlighted his credentials, followed by a historical overview of the legal structure, governance, and mission of the Boston Medical Center (BMC) via teleconference. Referencing the information included in today's agenda package that he provided prior to this meeting, Mr. Traylor discussed the hospital's financial background, affiliations, and composition of the Board of Trustees. He indicated the reason BMC created a change in its governance structure was to address the hospital's limited ability to be flexible and competitive, due to being part the City.

Mr. Traylor provided the following responses to questions presented by HGT members Lillian Rivera, Martha Baker, and Donna Shalala:

1. How did your change in governance lead to improved patient care, increased patient satisfaction, and increased market share and revenue? Any impact on access to healthcare services?

Improvement in quality, growth in volume, ability to improve additional conditions, and growth in market share (20,000 admissions to 30,000); still challenged in patient satisfaction rate; overall growth in revenue, notwithstanding current challenges due to the Massachusetts Healthcare Reform changes.

2. What turnaround efforts did your hospital/health system go through before consideration of governance changes? Describe the success or lack thereof of these efforts and why?

Motivation for governance change was to gain flexibility in terms of having the ability to retain own revenue, as a typical business versus the government being on a cash basis, with the ability to invest and add more revenue.

There was a simultaneous governance structure and merger, in which the private hospital had much more of a Medicare payer mix and the DCH had a typical Medicaid pre-care mix, and when they were combined, the absolute safety net hospital became more diversified with more commercial or Medicare mix than a typical safety net hospital. Overall, the combined system grew and the payer mix was still at about 30 percent Medicaid and still 10 percent uninsured, even with Massachusetts Healthcare Reform. Over half the patients were low-income patients.

3. What impact did the governance change have on your mission and how is that measured?

The Chief of Medicine was on both sides of the street so already shared combined medical services, which helped get through problems with other mergers. Overall, a plus on both quality and teaching programs to have everything combined. City Hospital was originally at 10 percent Medicaid or mix, but with the combined hospitals together, it was approximately 30 percent Medicare.

4. How did the old governance structure evaluate its effectiveness? How does the new governance structure do the same?

Under the old structure, the hospital was basically run by the City and evaluated through annual budget reviews; currently, a 30-member Board, consisting of various subcommittees (Finance, Audit, Nominating), evaluates its performance in governance, as well as the effectiveness of the hospital's performance team, including the Chief Executive Officer (CEO). One annual meeting was mandated and statute requirements that BMC remains true to the historic mission as a safety net hospital. There was no actual scorecard for measuring effectiveness. The 30-member Board was manageable with generally 20-25 attendees at bi-monthly meetings; staffing being relatively small.

5. What was the direct correlation between the change in governance and improved financial viability? Could the same result have been achieved under the existing governance structure? Why or Why not?

Either the governance change and/or the merger or both in combination worked to make BMC significantly better, financially stronger and larger, and a stronger hospital than City Hospital alone was, by all measures. The same results could not have been achieved under the existing governance structure.

The current governance structure assumed complete authority over the personnel system and legal processes.

Mr. Traylor noted the Strong Mayor observed other hospitals in Boston merging and championed this merger as being better for Boston City Hospital. Some individual City Council members expressed opposition; however, the Boston Health Net Centers supported this merger as a way to have a stronger safety net hospital.

Mr. Traylor noted that the hospital's budget was approximately \$1 billion with approximately \$100 million un-reimbursed cost and approximately \$200 million un-reimbursed Medicaid cost. Admissions had been paid in various ways, largely by the Federal Government by Medicaid waivers. The State of Massachusetts maintained a Safety Net Pool that paid hospitals for the remaining uninsured which provides a revenue stream for BMC. During the current year, BMC lost approximately \$25 million of the \$1 billion budget and anticipated the same lost for FY 2010-11. BMC's market share within Boston had grown slightly since the merger; however, so had most of the other teaching

hospitals in Boston. The Boston Health Net's governance was separate from the BMC Board; the members were Boston Medical Center, Boston University Medical School, and 15 Health Centers. The Boston Health Net Centers were Federally Qualified Health Centers and teaching was conducted at those centers.

Regarding labor opposition to merger, Mr. Traylor stated some pre-agreements protecting pensions and other benefits allowed the merger to go forward. The same unions were retained in the merger, including two separate nursing unions from the two predecessor hospitals. Composition of the 30-member Board as representation of the mission and the enabling legislation and state statute were instrumental in addressing the labor issues.

B. Harborview Medical Center

Ms. Johnese Spisso, Chief Health Systems Officer, Harborview Medical Center (HMC), provided an extensive historical overview of the HMC via teleconference. Following this presentation, she gave the following responses to questions from HGT members Lillian Rivera, Martha Baker, and Donna Shalala:

1. How did your change in governance lead to improved patient care, increased patient satisfaction, and increased market share and revenue? Any impact on access to healthcare services?

Using the intellectual, capital, and talent of University of Washington and world class UW physicians to staff the medical centers. Two large medical centers in close proximity to UW, compete for paying patients. Among the 50th percentile in patient satisfaction rating. UW Medical Center and Medical School were owned by the State and Harborview was owned by the County and managed by the UW.

2. What turnaround efforts did your hospital/health system go through before consideration of governance changes? Describe the success or lack thereof of these efforts and why?

Harborview was struggling financially and with quality of care in 1970, which led to consideration of governance change.

3. What impact did the governance change have on your mission and how is that measured?

All physicians employed at Harborview are members of UW Physicians; however, the community physicians from throughout the region, refer physicians.

4. How did the old governance structure evaluate its effectiveness? How does the new governance structure do the same?

Governance consists of: a 13-member Board of Trustees governs the medical center and is responsible for fiduciary matters, conducts annual evaluation of its performance, produces an annual priority report to the Board and the community; an Executive

Director employed by UW, who reports to Chief Health System Officer and the Board of Trustees; and a UW Medicine Board. Trustees serve three consecutive three-year terms.

Regarding bond issue, a major institutional master plan is updated every ten years and decisions are made with the Board to do expansions or upgrades, and following approval by the County Council a bond initiative can be issued. The State went to collective bargaining approximately six years ago and prior to that there were civil service contracts. Currently five labor unions existed throughout their health system and the contracts were negotiated through UW Human Relations and Labor Relations. There were no longer any civil service contracts. UW Medicine Advancement Office by which employees does fundraising for every aspect of their system, which collects approximately \$6 million per year to support quality unfunded care.

Harborview does not receive compensation from the County to provide jail health services. The UW complies with the state Sunshine Act which presents a challenge at times, but has not hurt the hospital's ability to function.

V. DISCUSSION ITEMS

- A. Resignation Letter from Dr. Mark C. Rogers
- B. Juniper Advisory – Firm Overview

VI. OTHER MATTERS

Chairperson Zapata requested feedback from Task Force members regarding how to move forward with development of the recommendations. He asked the Commission Auditor's staff to provide ideas on how to structure the final recommendations, and based on that, the HGT could submit their ideas. In response to Mr. Zapata's inquiry of who would write the actual document, Commission Auditor Charles Anderson informed that staff member Gary Collins would be responsible for writing the recommendation document.

Chairperson Zapata expressed concern with individual members providing information to members of the media, and it was the consensus of the Task Force that the media obtain its information by attending meetings and/or accessing the HGT Website.

Dr. Shalala recommended development of the recommendations should begin with the concept reflected on the Working Draft, A. Governing Board and Organizational Characteristics, 2. A governance model that provides clear lines of accountability for the governing body to the County government and the public/Strong ethical and conflict of interest component.

Vice Chairperson concurred with Dr. Shalala's comment that everything should flow from No. 2, however, she added that something should mention "the Safety Net Mission."

Chairperson Zapata indicated that the Mission Statement should be separate and that the governance structure was basically whatever body would oversee Jackson

Hospital/Health System. He emphasized the need for that structure to have independence, and referred to the list of the 14 issues that require the County Commission's approval.

Regarding the Working Draft (List of Recommendations), members agreed to consolidate numbers 3 and 8, to modify number 5 to eliminate the first three to read "Modification to the Sunshine Laws, which allows for maintenance of a sustainable vision."

Discussion ensued regarding whether size of the Board of Trustees makes a difference. Dr. Keeley advised that the ideal Board consisted of smart people who understood healthcare organizations, i.e. business people, finance people, bankers, lawyers, etc. Following discussion, HGT members agreed that the Board should consist of no more than nine members.

HGT members asked staff to provide information regarding how the Boards of some of the organizations of interest were populated, how members were nominated/appointed, what skills were required, and what the public's role was in this process. Staff was also asked to research what types of outside entities or transition models were created to oversee that Board and the hospital's functions to ensure it stayed true to its mission.

Chairperson Zapata advised that the next meeting would be held on Thursday, April 21, 2011, at the Beacon Council Office, 80 S.W. 8th Street, Suite 2400.

VII. ADJOURNMENT

There being no further business to come before the HGT, the meeting adjourned at 5:57 p.m.



Juan C. Zapata, Chairperson
Miami-Dade Hospital Governance Task Force



**FINAL OFFICIAL
MEETING MINUTES
Miami-Dade County Hospital Governance
Taskforce (HGT)**

Beacon Council Offices
80 S.W. 8th Street, Suite 2400
Miami, Florida

April 21, 2011
As Advertised

Harvey Ruvin, Clerk
Board of County Commissioners

Diane Collins, Acting Division Chief
Clerk of the Board Division

Mary Smith-York, Commission Reporter
(305) 375-1598



CLERK'S FINAL OFFICIAL MEETING MINUTES
MIAMI-DADE COUNTY HOSPITAL GOVERNANCE TASKFORCE
APRIL 21, 2011

The Miami-Dade County Hospital Governance Taskforce (HGT) convened a meeting at the Offices of The Beacon Council, 80 S.W. 8th Street, Suite 2400, Miami, Florida, on Thursday, April 21, 2011, at 3:00 p.m., there being present Chairperson Juan Carlos Zapata and Members: Martha Baker, Michael Barron, Jose Cancela, Ed Feller, Robert Johnson, M. Narendra Kini, Marisel Losa, Steven Marcus, Ana Mederos, Steven Pinkert, Linda Quick, Sharon Pontious, Lillian Rivera, Donna Shalala, Steven Sonenreich, and Alternate member George Foyo representing Brian Keeley; (Vice Chairperson Susan Dechovitz and Members Manuel P. Anton III, Lee Chaykin, and Brian Keeley were absent).

I. ROLL CALL:

The following staff members were present: Assistant County Attorneys Eugene Shy, Karon Coleman, and Laura Llorente; Gary Collins, S. Donna Palmer, and Antonio Crawford, Office of Commission Auditor; and Deputy Clerk Mary Smith-York.

Chairman Juan Zapata called the meeting to order at 3:10 p.m.

II. OPENING REMARKS

Chairperson Zapata referenced points from last weeks meeting and addressed the issue of the Board of County Commissioners (BCC) proposing the establishment of a seven-member board to oversee the Public Health Trust. Pursuant to his concerns of how the seven-member board would impact the work of the HGT, Mr. Zapata, in speaking with County Commission Chair Joe Martinez, understood this to be a temporary measure.

Assistant County Attorney Karon Coleman advised that the subject board was the Financial Recovery Board (FRB), that it was in place for a period of 24 months pursuant to resolution by the BCC, and that it would not lead to overall governance.

In response to Mr. Cancela's question of whether there was an item on the BCC agenda providing that the ordinance be amended to stipulate that a 2/3 vote could overturn the seven-member board, Assistant County Attorney Karon Coleman explained that there were two potentials: that an amendment to the ordinance to put 2/3 vote in the 25A language; and, in the resolution that would establish the FRB.

Dr. Pinkert suggested Public Health Trust members should be heard and recommended former Trustee Dr. Mark Rogers, followed by other past and present PHT and BCC members, be asked to make presentations. Dr. Pinker explained this would allow the HGT to attest that its recommendations were evidence-based.

Discussion ensued among members regarding presentations done by PHT and BCC members versus representatives of healthcare centers that had undergone governance change, and experts' opinions versus evidence-based recommendations.

Dr. Shalala pointed out that the presentations given thus far all said their governance change made them more competitive and provided them flexibility and control over the most important elements in management, including contracts and personnel. She emphasized the point that the driving force behind most of the changes in governance was independence, the ability to make tough decisions in a competitive market.

Ms. Baker suggested there be a debriefing session following each presentation to identify points that addressed key problems being targeted by the HGT, i.e. smaller board size.

Chairperson Zapata advised that he met with the Dr. Encida Roldan, Chief Executive Officer, JMH, and spoke with BCC Chairman Joe Martinez regarding the HGT's working draft document. He highlighted several components of the case study done on four hospitals reflected in the Kaiser Study of 1999, including operational, labor unions, political, accountability, etc. that would be helpful to the efforts of the HGT. Chairperson Zapata noted he was receptive to Dr. Rogers making a presentation, but pointed out that the HGT must reach a consensus on the type of recommendations it wished to present to the BCC. He stressed the importance of putting some ideas together as a foundation.

Dr. Sonenreich suggested the HGT consider looking at the Center for Healthcare Governance (CHG), an institution that provided information and resources to hospitals' boards. He recommended Dr. James E. Orlikoff, Senior Consultant, be contacted for direction regarding governance issues.

Ms. Quick volunteered to invite Dr. John Combes, President and Chief Operating Officer at the CHG in Chicago, IL, to participate in a teleconference presentation at the next HGT meeting.

Chairperson Zapata requested Commission Auditor representative Donna Palmer to coordinate presentations by Dr. Combes and Mr. Carlos Migoya, President Elect, Jackson Memorial Hospital, for the HGT meeting on April 28, 2011.

Dr. Feller urged the HGT to move quickly in amassing and analyzing the Task Force members' opinions to determine whether therein lay a quick answer.

III. APPROVAL OF MINUTES (April 7, 2011)

The following corrections to the April 7, 2011, minutes were requested:

- On page 3, paragraph 2, include "L.A. County" in the list of medical centers.

It was moved by Dr. Kini that the April 7, 2011, meeting minutes be approved as amended with the foregoing requested change. This motion was seconded by Dr. Shalala, and upon being put to a vote, passed by a unanimous vote of those members present.

IV. TELECONFERENCE INTERVIEWS

A. Cook County Health & Hospitals System

Ms. Elizabeth Reidy, General Counsel, Cook County Health & Hospital System, Chicago, IL, greeted HGT members and explained that she was representing Chief Executive Officer William Foley and Board Chairperson Warren Batts, who were unable to participate due to schedule conflicts. She advised that her responses would be limited due to her role as General Counsel, as opposed to Director/CEO. Ms. Reidy advised that a second brief call that included the CEO or Chairperson was recommended in order to answer in depth questions. She provided a brief introduction and historical background regarding Cook County Bureau of Health Services, renamed Cook County Health & Hospital System (CCHHS) in its governance change process.

Following Ms. Reidy's overview, she provided the following responses to the HGT's questions presented by Drs. Barron, Kini, and Pontious:

1. How did your change in governance lead to improved patient care, increased patient satisfaction, and increased market share and revenue? Any impact on access to healthcare services?

The CCHHS Board consisted of eleven directors, ten of which are healthcare oriented and one an ex-officio member, who was Chairman of the CCHHS Commission. The CEO looked at staffing issues, hired experts in performance improvements and did significant staff reductions, which included vacant and filled positions. Specific governance-related questions should be made to the Director for a more appropriate response. The turnaround expert was guided by a core of professionals who knew about the health industry. Key issue was reimbursement and whether the dollars owed were being captured and the governance and policy experts began working from that perspective as soon as possible.

2. What turnaround efforts did your hospital/health system go through before consideration of governance changes? Describe the success or lack thereof of these efforts and why?

The hospital went from being governed on a direct hands-on basis by elected officials to being governed at a Board level by a group of experts. Brought the centralized human resources and purchasing functions in-house. The Board consisted of one director who was head of another hospital, and two other members were from neighboring hospitals.

3. What impact did the governance change have on your mission and how is that measured?

The mission has remained unchanged. One of the largest projects of board was to manage a five-plan entitled "Strategic Plan Vision 2016" which entailed a significant reallocation of resources to the system. Trying to reallocate limited resources to focus on outpatient specialty care, primary care, and immediate care.

4. How did the old governance structure evaluate its effectiveness? How does the new governance structure do the same?

New governance structure evaluates effectiveness through an Operational Ops (phonetic) Plan for benchmarking, as well as traditional red light, yellow light, green light system, and performance improvement benchmarking.

5. What was the direct correlation between the change in governance and improved financial viability? Could the same result have been achieved under the existing governance structure? Why or Why not?

Ms. Reidy advised that she was unable to answer the foregoing question. She stated the Board of Directors approved bargaining agreements, but the County Board of Commissioners negotiated them. She advised she was not sure as to whether they were civil or healthcare service. Ms. Reidy was also unable to answer the question regarding what percentage of the \$630 million total healthcare revenues came from outpatient clinics. Ms. Reidy asked that the HGT provide her with a copy of its final report once completed.

Discussion ensued among members highlighting the differences between the Cook County Board and the PHT, including the smaller size and the objective of strategic planning and personnel issues.

Regarding the issue of "conflict of interest" among board members, Chairperson Zapata advised that he was awaiting a response from the Ethics Commission and the Inspector General regarding this subject. He stated he would recommend creating a system that incorporated an open setting wherein the CEO could communicate with the governing body.

B. L.A. County Department of Health Services

Mr. John Schunhoff, Chief Deputy Director, Los Angeles County Department of Health Services (LACDHS), provided the following responses to questions by Drs. Barron, Kini, and Pontious:

1. How did your change in governance lead to improved patient care, increased patient satisfaction, and increased market share and revenue? Any impact on access to healthcare services?

The governance structure was described as a department of the County of Los Angeles, governed by the five members of the Board of Supervisors, who were County Commissioners. There was uncertainty as to whether a direct link existed between the change in governance and the strides they made in terms of patient care and finance. California law gives counties responsibility for providing indigent care. The majority of the counties did not operate public hospitals and clinics, rather contracted those services to private hospitals and community clinics. LA County has a history of having public hospitals and clinics and provides indigent care through its facilities; and in the past 15

years, funding has been provided to the LA County Community Clinics to provide indigent primary care, while the hospital provided more specialty care.

2. What turnaround efforts did your hospital/health system go through before consideration of governance changes? Describe the success or lack thereof of these efforts and why?

There was significant increase in the number of patients coming to the emergency rooms and some of this increase was attributed to a change to one of the facilities. The system recently opened the L.A. County Medical Center that was a 600-bed facility. Pursuing a different model of governance relative to the new Martin Luther King Hospital scheduled to open in 2013. Rather than opening a new County Hospital, a county facility was being built, whereby the LACDHS and the University of California (UC) jointly formed a non-profit corporation that would contract with the County to lease the facility and operate the hospital. The UC would provide the medical oversight and quality oversight board with regard to the core physician services. This was a different approach compared to the other four hospitals in the system that were County-owned and operated.

3. What impact did the governance change have on your mission and how is that measured?

The Board of Supervisors had a strong commitment to low-income and indigent care and over the years put significant amounts of County dollars into the health care system. This Board has essentially taken off the Department of Health Services from the general fund problems, particularly those related to the extension. There were three types of budgets in the County: the general fund, special districts, and health department. Have not had to encounter the same source of reductions that the general fund departments had.

4. How did the old governance structure evaluate its effectiveness? How does the new governance structure do the same?

Each facility measures quality of care by objective measures; periodically, the chiefs meet with the medical staff to go over issues. Unsure whether there was a systematic method of measuring effectiveness and have not evaluated the role of the Board in governing the health system.

5. What was the direct correlation between the change in governance and improved financial viability? Could the same result have been achieved under the existing governance structure? Why or Why not?

The governance structure has not had an impact on the financial viability of the health system; however, with the new County governance structure has cross collaboration and communication. This was evidenced in the health services to juveniles through the Probation Department and the department of Children and Family Services, having to report to the Board through the CEO.

D. Truman Medical Centers

Mr. Gerard Grimaldi, Vice President, Health, Policy & Government Relations, Truman Medical Centers (TMC), introduced Chief of Staff Cheryl Washington, and President/CEO John Bluford. Following a brief historical overview of the organization's governance structure, he provided the following responses to questions prepared by the HGT members:

1. How did your change in governance lead to improved patient care, increased patient satisfaction, and increased market share and revenue? Any impact on access to healthcare services?

A key governance problem was addressed by the downsizing the Board from 50 members. TMC was a 501(C)3 organization and the City and County each had three members on the Board of Directors.

2. What turnaround efforts did your hospital/health system go through before consideration of governance changes? Describe the success or lack thereof of these efforts and why?

3. What impact did the governance change have on your mission and how is that measured?

The governance has allowed the operational structure to be innovative and entrepreneurial in terms of providing best quality care and services to patients to meet the organization's mission.

4. How did the old governance structure evaluate its effectiveness? How does the new governance structure do the same?

The Board Development Committee was charged with recruiting and retaining, as appropriate, the Community Directors, as well as evaluating the Board's effectiveness and making recommendations for future improvements.

5. What was the direct correlation between the change in governance and improved financial viability? Could the same result have been achieved under the existing governance structure? Why or Why not?

TMC received approximately 8 ½ percent of its operating revenues directly from the City and the County, in terms of the operating subsidies for the care provided, which was a key component, due to the financial strength of the safety net institutions. Truman was one of the first hospitals to go to the non-profit models in the 1960s.

Responding to the question of whether the flexibility and freedom that fostered an entrepreneurial spirit resulted from the governance structure or autonomy in the city and

county governments, Mr. Grimaldi stated it was a combination of several factors, including autonomy, strong leadership, and a strong team.

Pertaining to the kind of labor contracts were in place and whether the government engaged in negotiations, Mr. Grimaldi explained that the contracts were with Truman Medical Centers and were with two separate organizations handled by the management staff. He noted the Board approved what was in those contracts, particularly the financial items. Additionally, he stated the Appropriations Authority of the City and County governments monitored whether TMC stayed true to the mission through annual evaluations.

Regarding whether the financial relationship with the City and County was built into the ordinance that permitted TMC to become a nonprofit corporation, Mr. Grimaldi noted a contract with the City ensured the funds were provided for indigent care and the original covenant or operating agreement with the County bound TMC to operate what use to be Jackson County Public Hospital.

Mr. Grimaldi stated there was a clear distinction between the functions management was empowered to do without Board approval and those functions that required the Board's approval.

Regarding what the amount of funding from the City and County was prior to becoming a 501(C)3 corporation, Mr. Grimaldi stated it was funding through a separate levy for health related purposes adopted by the City and County respectively. He added, at that time, there were not as robust Medicaid or Medicare programs as today; and half of the volume and revenue was generated from the outpatient versus inpatient services.

Regarding the new governance structure at TMC, Mr. Grimaldi stated the size of the Board was reduced from 50 to 33 members and added more accountable governance structure through committees. He agreed to research whether reports describing the governance changes existed, and if so, would submit copies to the HGT.

V. OVERVIEW

A. Comparison of Federal, State, and Local Hospital Funding Sources

Ms. Linda Quick provided a description of the figures reflected in the spreadsheet entitled "South Florida Acute Care Hospital Medicaid-related Financial Data" included in today's agenda package.

Chairperson Zapata noted the HGT should focus on determining what type of structure would work best for the PHT: modify the current structure, change to nonprofit corporation, or change to a special taxing district. He encouraged members to present their recommendations.

Discussion ensued among members regarding what type of governance structure would best serve all aspects of the Jackson Health System.

Mr. Cancela explained his reason for requesting Mr. Rogers' resignation letter be placed on last week's agenda was to recommend that this Task Force develop a two-step recommendation process. These two steps include: 1) a short-term recommendation to amend 25A to create a buffer for the PHT as it currently stands; and 2) a long-term governance structure change that would take up to two years to enact.

VI. WORKING ITEM

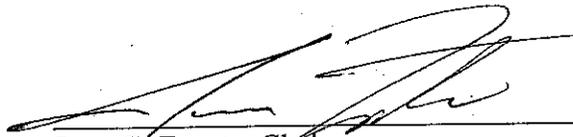
A. Discuss/Draft Preliminary Recommendations

Discussion ensued regarding the composition of the proposed new board, the need to ensure members were qualified to serve, and what the level of County Commission control over the hospital board should be. A consensus was reached that short-term recommendation ideas should be dealt with next week and that a copy of the Charter should be available during discussion of possible changes. HGT members also contemplated what number of members would be right for the new board and whether the first step in formatting the recommendations would be amend 25A to reflect the change in membership. HGT members agreed to revisit the referendum language pertaining to the half-penny sales tax and address the conflict of interest aspect of board members.

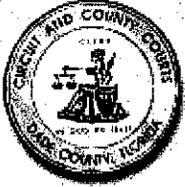
VII. ADJOURNMENT

The next meeting was scheduled for April 28, 2011, at the State Attorney's Office, 1350 N.W. 12th Avenue, Miami, Florida, at 3:00 p.m.

There being no further business to come before the Hospital Governance Task Force, the meeting adjourned at 6:09 p.m.



Juan C. Zapata, Chairperson
Miami-Dade Hospital Governance Task Force



**FINAL OFFICIAL
MEETING MINUTES
Miami-Dade County Hospital Governance
Taskforce (HGT)**

State Attorney's Office
1350 N.W. 12th Avenue,
4th Floor Conference Room
Miami, Florida

April 28, 2011
As Advertised

Harvey Ruvin, Clerk
Board of County Commissioners

Diane Collins, Division Chief
Clerk of the Board Division

Mary Smith-York, Commission Reporter
(305) 375-1598



CLERK'S FINAL OFFICIAL MEETING MINUTES
MIAMI-DADE COUNTY HOSPITAL GOVERNANCE TASKFORCE
APRIL 28, 2011

The Miami-Dade County Hospital Governance Taskforce (HGT) convened a meeting at the State Attorney's Office, 1350 N.W. 12th Avenue, 4th Floor Conference Room, Miami, Florida, on Thursday, April 28, 2011, at 3:00 p.m., there being present Chairperson Juan Carlos Zapata, Vice Chairperson Susan Dechovitz, and Members: Martha Baker, Michael Barron, Jose Cancela, Lee Chaykin, Ed Feller, Robert Johnson, M. Narendra Kini, Marisel Losa, Linda Quick, Sharon Pontious, Lillian Rivera, Donna Shalala, Steven Sonenreich, and Alternate members George Foyo representing Brian Keeley, Janisse Schoepp representing Steven Marcus, and Amy Perry representing Steven Sonenreich; (Members Manuel P. Anton III, Brian Keeley, Steven Marcus, Ana Mederos, Steven Pinkert and Steven Sonenreich were absent).

I. ROLL CALL:

The following staff members were present: Assistant County Attorneys Karon Coleman and Valda Clarke Christian; Gary Collins, S. Donna Palmer, and Angie Martinez, Office of Commission Auditor; and Deputy Clerk Mary Smith-York.

Chairman Juan Zapata called the meeting to order at 3:13 p.m.

II. OPENING REMARKS:

Chairperson Juan C. Zapata advised that he would recognize members Lillian Rivera and Robert Johnson at the start of the Working Item discussion, to address the recommendations, thoughts, and observations they submitted. Additionally, he stated that following Mr. Migoya's presentation, there would be discussion regarding Mr. Jose Cancela's issues regarding the recommendations to the County Commission. Mr. Zapata commented on an article in the "Miami Today" newspaper that misquoted him and cautioned members to avoid speaking with reporters.

III. APPROVAL OF MUNITES (April 14, 2011)

The following corrections to the April 14, 2011, minutes were requested:

- page 2, IV, A, 3 – to include additional points highlighted by Dr. Combes during his presentation.

It was moved by Mr. Cancela, that the April 14, 2011, meeting minutes be approved as amended with the foregoing requested change. This motion was seconded by Dr. Pontious, and upon being put to a vote, passed by a unanimous vote of those members present.

IV. TELECONFERENCE PRESENTATION

Dr. John R. Combes, President/Chief Operations Officer, Center for Healthcare Governance, Chicago, IL, via teleconference, provided a brief overview of the steps

necessary for effective governance. A slideshow of his speaking points was provided for HGT members' reference during the presentation entitled "Practicing Effective Governance." Dr. Combes noted his presentation would focus on how boards were structured and organized, and what core competencies board members needed to function effectively. Speaking points included the following:

- Board Culture
- Key Practices
- Core Competencies
- Using Competencies to Create Effective Governance

Following his presentation, Dr. Combes provided the following responses to questions from HGT members:

Between nine (9) and seventeen (17) members is the recommended number to have an effective board. Having less than nine makes it difficult to create diversity and more than 17 makes it hard to manage.

Generally, the board's membership consists of approximately 25% physicians. Other members of the medical industry should also be included in the board's membership as well, because they bring a certain knowledge that's needed.

Conflicts of interest policies that board members should adhere to included prohibiting members from having any level of material business with the organization or having any business with the organization. Procedures to manage conflicts of interest events, when they occur, must be in place.

Due to current issues regarding finance, more in-boardroom educational programs are recommended.

With regards to reference material on best practices for boards' by-laws, "A Guide to Good Governance" provides sample by-laws, along with rules and procedures. Best practices also include the creation of committees within the board.

Board members need financial literacy because finance is involved in everything the board oversees. Creating an appropriate financial dashboard is a key to having an effective board; however, no template exists for training.

The board should dedicate resources to governance and ensure educational opportunities are available. The board should also have a good relationship with the Chief Executive Officer (CEO).

Self-perpetuating board that take the appointment process of nominees serious and spend time working on that process, is the best model of an active governance nominating committee. In a public model, people would present to the County Commission a slate of nominees to be considered.

Representatives from the teaching institution affiliated with the hospital are stakeholders and should have a voice on their perspectives. CEOs and union representatives are representing people's perspectives during the discussion and it is not important that they are unable to vote at the end.

It is important to have open meetings and the best model has a public session and follows later with an executive session.

Board committees should consist of board members and non-board members who were not staff members to allow the opportunity for outside expertise.

V. INTRODUCTION AND DISCUSSIONS

Mr. Carlos Migoya, President Elect, Jackson Memorial Hospital, appeared before the HG Task Force and expressed appreciation for the invitation to speak. He stated his primary focus, since being elected as CEO, was internal operations. Mr. Migoya advised that he had no comments pertaining to governance and noted he would not become involved in the process at this point. He addressed the temporary Finance Recovery Board (FRB) proposed by the County Commission that would provide a pathway for the integration of the HGT's work into the system. Mr. Migoya advised that no new resources were being dedicated to fund this board. He noted JMH currently needed approximately \$300 million in capital and to build an infrastructure around paying patients and future capital resources. Mr. Migoya advised that an effective, working board operates better with smaller numbers; has representation of stakeholders; and communicates the strategic direction to the Commission. He expressed concern that the Sunshine Law has a negative impact on the board.

In conclusion, Mr. Migoya stated nimbleness was achieved by tax money following the patient; however, JHS needed the time and ability to build its financial situation to the level of its quality of healthcare.

VI. WORKING ITEM

Chairperson Zapata recognized Mr. Cancela to introduce ideas and suggestions that the HGT could recommend to the County Commission.

Mr. Cancela described the proposed 7-member FRB and expressed concern with the lack of language requiring any kind of healthcare expertise as a qualification. He pointed out that the HGT members should take this opportunity to weigh in on the discussion regarding the FRB membership. Mr. Cancela asked members to reconsider its position on proposing language to the Board of County Commissioner (BCC) for consideration on the makeup of the FRB.

Discussion ensued among HGT members concerning the criteria for FRB members and how appointments to fill the seven slots would be made. Issues addressed by members included concerns with language in the resolution establishing the FRB providing that BCC Chairman Joe Martinez would make the Mayoral appointments and HGT's consensus on the 2/3's vote requirement to veto the FRB's actions and to direct any

resolution directing the FRB to act. Members also discussed whether it was in the HGT's scope to make recommendations on the makeup of the FRB, an operational board.

Assistant County Attorney Valda Clarke Christian advised members that the Financial Recovery Board was filed as an assistance measure in response to the Public Health Trust's request for a cash advance for operations funding. She noted the HGT's commentary would not be directed at the FRB; rather would be guidance on how this enterprise should be governed.

Chairperson Zapata suggested the HGT start focusing some of its recommendations on the short-term, and some preliminary recommendations to the County Commission to communicate what direction the HGT was taking.

Ms. Clark Christian advised that the seven FRB appointments would consist of: four (4) by the County Commission, one (1) by the Mayor, one (1) by the AFL-CIO President, and one (1) by the Dade Delegation, and read into the record the qualification criteria for those appointments.

Mr. Cancela recommended a motion and vote be conducted on the 2/3's vote requirement to veto the FRB's actions and the direction to the FRB to act.

Further discussion resulted in consensus among HGT members to focus their recommendations on the 2/3's vote requirement, emphasizing conflict of interest, and diversity. Members agreed to not submit any recommendations regarding qualifications of board members and to specify that the conflict of interest language would apply to stakeholders, as well as board members.

It was moved by Mr. Cancela that the HGT's short-term recommendation to the Chairman and members of the County Commission include the following three (3) points:

- 1) requirement for 2/3's vote to override the board's action or to override any resolution providing direction to the board;
- 2) language providing that conflicts of interest and ethics policies also applied to stakeholders; and
- 3) diversity in board makeup.

This motion was seconded by Mr. Johnson, and upon being put to a vote, passed by a vote of 14-0 (Members Manuel P. Anton III, Brian Keeley, Steven Marcus, Ana Mederos, Steven Pinkert and Steven Sonenreich were absent).

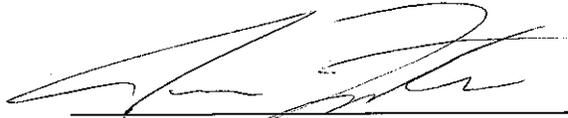
Extensive discussion ensued among members in the development of long-term recommendations.

Following discussion, Chairperson Zapata requested members to review the information provided by Dr. Rivera, Mr. Johnson, and County staff, and submit feedback for compilation and discussion at the next meeting.

Members agreed to conduct the next meeting (May 5th) at the Miami-Dade County Health Department's office in Doral and to each contribute towards providing dinner so the meeting could be extended to complete the list of recommendations.

VII. ADJOURNMENT

There being no further business to come before the HGT Task Force, the meeting adjourned at 6:05 p.m.



Juan C. Zapata, Chairperson
Miami-Dade Hospital Governance Task Force



**FINAL OFFICIAL
MEETING MINUTES
Miami-Dade County Hospital Governance
Taskforce (HGT)**

Miami-Dade County Health Department
Center of Excellence
8600 N.W. 17th Street
Miami, Florida 33126

May 5, 2011
As Advertised

Harvey Ruvin, Clerk
Board of County Commissioners

Christopher Agrippa, Division Chief
Clerk of the Board Division

Mary Smith-York, Commission Reporter
(305) 375-1598



CLERK'S FINAL OFFICIAL MEETING MINUTES
MIAMI-DADE COUNTY HOSPITAL GOVERNANCE TASKFORCE
MAY 5, 2011

The Miami-Dade County Hospital Governance Taskforce (HGT) convened a meeting at the Miami-Dade County Health Department facility, 8600 NW 17th Street, Miami, Florida, on Thursday, May 5, 2011, at 3:00 p.m., there being present Chairperson Juan Carlos Zapata, Vice Chairperson Susan Dechovitz, and Members: Martha Baker, Michael Barron, Jose Cancela, Ed Feller, Robert Johnson, Brian Keeley, Marisel Losa, Steven Marcus, Ana Mederos, Linda Quick, Steven Pinkert, Sharon Pontious, Lillian Rivera, Donna Shalala and Alternate member Nancy Humbert representing M. Narendra Kini; (Members Manuel P. Anton III, Lee Chaykin, M. Narendra Kini, and Steven Sonenreich were absent).

I. ROLL CALL:

The following staff members were present: Assistant County Attorneys Karon Coleman, Valda Clarke Christian, and Laura Llorente; Gary Collins, S. Donna Palmer, and Angie Martinez, Office of Commission Auditor; and Deputy Clerk Mary Smith-York.

Assistant State Attorney Paul Silverman, State Attorney's Office, was also present at today's meeting.

Chairman Juan Zapata called the meeting to order at 3:05 p.m.

II. OPENING REMARKS:

Chairperson Juan C. Zapata recognized Mr. Roly Marante, Commissioner Sosa's Chief of Staff (District 6), who would make a brief presentation.

Chief of Staff Roly Marante, County Commission District 6, on behalf of Honorable Commissioner Rebeca Sosa, appeared before the HGT and expressed appreciation to the Task Force for their efforts to make Miami-Dade County a better place to live, work, and play. He spoke about the great need for a change in the Jackson Health System healthcare delivery landscape, which the work being done by this task force would accomplish. Mr. Marante presented a challenge to HGT members to be bold in their recommendations to the County Commission and advised that Commissioner Sosa would be the Prime Sponsor of all recommendations. He informed members that Commissioner Sosa introduced an amendment at Tuesday's (5/3) BCC meeting, providing that all Hospital Governance Task Force recommendations be included in the proposed Financial Recovery Board (FRB); which the Board adopted. Mr. Marante pointed out that the Commissioner Sosa and he purposefully stayed away from the HGT to eliminate the potential for political influence or prejudice. He expressed hopes that the HGT's recommendations were practical, proven and fiscally responsible. In conclusion, Mr. Marante, on behalf of Commissioner Sosa, thanked the members of the HGT for stepping up at a time when the community needed it the most, and looked forward to receiving of the final report. Mr. Marante advised HGT members that earlier tonight Mr. Angel Medina resigned from the Public Health Trust, and quoted the following statement from

Mr. Medina's resignation letter: "... While there are many examples of progress made and renewed accountability, it is evident that a change in governance is necessary and must come rapidly..." Mr. Marante noted that was the reason this task force was created, after which he bid members farewell and exited the meeting.

Chairperson Zapata asked Mr. Marante to convey the HGT's gratitude to Commissioner Sosa for her efforts and inform her that this task force is outstanding and rather than shy away from, it embraced the aggressive timeline placed before it.

Chairperson Zapata provided a brief overview of the items contained in tonight's agenda package and outlined the process for compilation of recommendation into the final format.

III. APPROVAL OF MINUTES (April 21, 2011)

The following corrections to the April 21, 2011, minutes were requested:

- page 2, II., paragraph 3 - to correct the first sentence to correctly read:
"...Chairperson Zapata advised that he met with Dr. Eneida Roldan, Chief Executive Officer, JMH, and spoke with BCC Chairman Joe Martinez regarding the HGT's working draft document..."

It was moved by Mr. Johnson, that the April 21, 2011, meeting minutes be approved as amended with the foregoing requested change. This motion was seconded by Mr. Cancela, and upon being put to a vote, passed by a unanimous vote of those members present.

IV. WORKING ITEM

Chairperson Zapata directed members' attention to the emailed document entitled "Hospital Governance Task Force Recommendations" and noted it would be discussed later in tonight's meeting. He advised that Commission Auditor's Office staff member Gary Collins had compiled all HGT members' recommendations into a skeleton document (yellow pages), and would later include additional backup information, the minutes, agendas, and other related documents. Mr. Zapata listed the proposed titles of sections as part of the final report, including the proposed roadmap that was for short-term to have an idea of the County Commission's direction.

A brief discussion ensued regarding the method HGT members would use to construct the final recommendations document from the working draft. Following the discussion, staff member Gary Collins projected a copy of the document on the screen so revisions could be made simultaneously when requests were made by HGT members.

Having concluded development of its final report, the HGT requested Commission Auditor staff to provide a draft to the County Attorney's Office for review and legal sufficiency by Monday, May 9th. Chairperson Zapata asked that, following the County Attorney's review of the draft document, staff member Gary Collins provide HGT

members with a clean draft by Tuesday, May 10th, for review and finalizing at the May 12th meeting.

Members agreed to again hold its next meeting at the Miami-Dade County Health Department facility, 8400 N.W. 17th Street, Miami, and that this would be its final meeting.

V. ADJOURNMENT

There being no further business to come before the HGT, the meeting adjourned at 8:52 p.m.



Juan C. Zapata, Chairperson
Miami-Dade Hospital Governance Task Force



**FINAL OFFICIAL
MEETING MINUTES
Miami-Dade County Hospital Governance
Taskforce (HGT)**

Miami-Dade County Health Department
Center of Excellence
8600 N.W. 17th Street
Miami, Florida 33126

May 12, 2011
As Advertised

Harvey Ruvin, Clerk
Board of County Commissioners

Christopher Agrippa, Division Chief
Clerk of the Board Division

Mary Smith-York, Commission Reporter
(305) 375-1598



CLERK'S FINAL OFFICIAL MEETING MINUTES
MIAMI-DADE COUNTY HOSPITAL GOVERNANCE TASKFORCE
MAY 12, 2011

The Miami-Dade County Hospital Governance Taskforce (HGT) convened a meeting at the Miami-Dade County Health Department facility, 8600 NW 17th Street, Miami, Florida, on Thursday, May 12, 2011, at 3:00 p.m., there being present Chairperson Juan Carlos Zapata, Vice Chairperson Susan Dechovitz, and Members: Manuel P. Anton III, Martha Baker, Michael Barron, Jose Cancela, Ed Feller, Robert Johnson, M. Narendra Kini, Marisel Losa, Steven Marcus, Ana Mederos, Linda Quick, Steven Pinkert, Sharon Pontious, Lillian Rivera, Steven Sonenreich and Alternate members George Foyo representing Brian Keeley and William Donelan representing Donna Shalala; (Members Lee Chaykin, Brian Keeley, and Donna Shalala were absent).

I. ROLL CALL:

The following staff members were present: Assistant County Attorneys Karon Coleman, Valda Clarke Christian, and Laura Llorente; Gary Collins, S. Donna Palmer, and Angie Martinez, Office of Commission Auditor; and Deputy Clerk Mary Smith-York.

Assistant State Attorney Paul Silverman, State Attorney's Office, was also present at today's meeting.

II. OPENING REMARKS:

Chairman Juan Zapata called the meeting to order at 3:02 p.m. and indicated that tonight could be the last time this Hospital Governance Task Force would need to meet. On behalf of the HGT, he expressed appreciation to the County staff from the County Attorney's Office, Commission Auditor's Office, and the Clerk of the Board's Office, for their hard work. Mr. Zapata also thanked each Task Force members for their time and dedication to this critical project.

III. APPROVAL OF MINUTES (April 28, 2011)

It was moved by Dr. Pontious that the April 28, 2011, meeting minutes be approved as presented. This motion was seconded by Mr. Johnson, and upon being put to a vote, passed by a unanimous vote of those members present.

IV. WORKING ITEM

Chairperson Zapata asked members to review the compilation of comments made by each member and advised that Commission Auditor staff member, Gary Collins, would project the working document on the screen and apply revisions as they were made by HGT members.

HGT members Ms. Quick and Dr. Kini commended Gary Collins and Donna Palmer on a great job in producing a well-written document, and the County Attorney's staff for their excellent editing comments.

Discussion ensued among members in response to Dr. Rivera's concern that this final report needed to convey a sense of urgency, with regard to the implementation of the HGT's recommendations. Following discussion, a straw vote determined there was a consensus among members that they would push for urgency in this report.

Ms. Baker noted she was impressed with the new Financial Recovery Board's members' qualifications; however, she expressed opposition with making too many changes too fast. She recommended the new management team and the FRB be allowed to do their work and perform the diligence necessary to make a governance change.

HGT members initiated discussion regarding revising the content of the final recommendation, beginning with clarification of the governance board's purpose and formulation of a title to convey that purpose.

Members Sonenreich and Mederos, and alternate Donelan agreed that the HGT should limit its role to developing recommendations for a governance model and should avoid becoming involved with the FRB.

In response to a poll by Chairperson Zapata to determine if there was consensus on the recommended governance structure as a not-for-profit corporation of not more than nine (9) members (five (5) appointed by the Mayor; four (4) by the County Commission), one member, Ms. Baker, expressed opposition.

Members proceeded to review the working document containing the recommendations submitted, beginning with the Executive Summary and continuing to each category, making revisions throughout the process.

In response to concern that the name for the proposed oversight body should clearly denote that it had no control over the governing board and existed solely to ensure the healthcare system of the County and to ensure the governance body remained true to the healthcare mission. Chairperson Zapata polled members on whether they were in support or opposition to creating an oversight board, which resulted in the following responses:

Members Sonenreich, Cancela, Pinkert, Barron, and Baker expressed opposition to an advisory board; however, he stated if it were to be formed, quarterly reports

Vice Chairperson Dechovitz and Members Pontious, Rivera, Marcus, Kini, Feller, Ms. Quick, Ms. Losa, and Mr. Johnson expressed support for the creation of an advisory board.

Ms. Mederos expressed opposition to a new body being created and noted she would abstain from voting, with regard to this issue.

Dr. Anton stated that, whereas, in order to monitor the unique use of any public funds (half-penny surtax and ad valorem revenue) and in order to create a sense public

accountability to the public body and to the body politic, and in order to facilitate the palatability of the larger recommendations encompassed in this report, he would move that the HGT retain the recommendation for an entity that would be denoted as a public advisory committee, with circumscribed responsibilities to review the use of the unique public funds, and the Safety Net Mission of the Public Health Trust and advise accordingly.

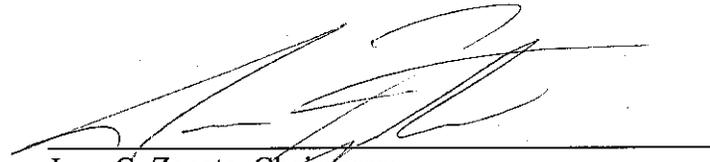
Following a brief discussion, it was the general consensus of the HGT that the name of the oversight board would be "Public Health Advisory Committee" in the final recommendations.

At the completion of the review and revision of draft recommendations, it was moved by Ms. Quick that the recommendations document be submitted as the Final Report as amended with the changes proposed in today's (5/12) meeting. This motion was seconded by Dr. Marcus, and upon being put to a vote, passed by a majority vote of those members present.

Discussion ensued among member regarding the insertion of Ms. Baker's "Minority Report" into the final report. It was suggested that the report be included as an appendix and would not be titled "Minority Report." Following extensive discussion regarding the proper title for this report, it was determined that it would be called "Dissenting View."

Upon acceptance of the final changes to the amended version of the Final Report, Chairperson Zapata requested staff to expedite preparation of a revised document for members' review and approval. He advised that there would be no further meetings and the final version of the document would be distributed by the Office of Commission Auditor's staff. Chairperson Zapata authorized staff to make necessary editorial changes to the extent the content, as approved, was not altered. He requested staff to attempt to obtain the signatures of those members, who did not sign off on the document today, before submittal to the Board of County Commissioners.

There being no further business to come before the HGT, the meeting adjourned at 8:42 p.m.

A handwritten signature in black ink, appearing to read 'Juan C. Zapata', is written over a horizontal line.

Juan C. Zapata, Chairperson
Miami-Dade Hospital Governance Task Force

Appendix D

LIST OF TRUST DECISIONS SUBJECT TO THE COMMISSION'S APPROVAL (PRIOR OR SUBSEQUENT) OR THE COMMISSION'S OVERRIDE

1. **BYLAWS**--The Board of Trustees is empowered to make, adopt and amend the Bylaws of the Trust, but the Bylaws and amendments are not effective until approved by the Commission. Sec. 25A-3(f).
2. **COUNTY ORDINANCES**—Broadly speaking, the Trust cannot take any action that is inconsistent with Ordinances of the County. Sec. 25A-3(f).
3. **CONTRACTS GENERALLY**—The Trust cannot enter into or amend a contract that requires the expenditure of funds in excess of amounts appropriated in the contractual services category of the County budget, without the prior approval of the Commission. Sec. 25A-4(c)(1).
4. **UNIVERSITY OF MIAMI BASIC AFFILIATION AGREEMENT**--The Trust cannot change the contractual relationship with the U.M., without the prior approval of the Commission. Sec. 25A-4(c)(2).
5. **HEALTHCARE DELIVERY POLICIES**--The Trust cannot substantially change the healthcare delivery policies set by the Commission. Sec. 25A-4(c)(3).
6. **COLLECTIVE BARGAINING AGREEMENTS**—The Trust negotiates the Collective Bargaining Agreements with Unions, but the agreements cannot take effect until approved by Commission. Sec. 25A-4(c)(4).
7. **REAL ESTATE**—The Trust cannot acquire real property, without the prior approval of the Commission and the title to such real property must be taken in the name of the County. In addition, the Commission can declassify real property that had been made designated facilities of the Trust and, subject to the prior approval of the Commission, the Trust can accept gifts of real estate. Secs. 25A-4(d), 25A-2, and 25A-4(h).
8. **REAL ESTATE**--Trust cannot sell, convey, mortgage, or encumber title to real estate. Sec. 25A-4(d).
9. **DEMOLITION OF FACILITIES**—The Trust cannot destroy, replace or abandon real estate, without the prior approval of the Commission. Sec. 25A-4(d).
10. **NAMING COUNTY BUILDINGS**—The Trust cannot name buildings without Commission approval. BCC Rule 9.02.
11. **PERSONNEL POLICIES**--The Trust personnel policies are effective, unless overridden by the Commission. Sec. 25A-4(e).
12. **DIRECTIVES**--The Commission can require the Trust by resolution to take or not take certain action. Sec. 25A-4(j).
13. **BUDGET, BORROWING AND BONDS**—The Commission must approve the Trust's budget prior to implementation and the Trust's borrowing of money. Also, the Trust cannot issue bonds but can request the Commission to do so. Sec. 25A-5.
14. **ENABLING STATUTE**—The Commission has the power under Chapter 154, Part II, to amend Chapter 25A to limit the enumerated powers or to totally revoke the statutory trust enabled by Chapter 154, Part II. Sec. 154.11, Fla. Stat.

This page intentionally blank

Memorandum



Date: February 25, 2010

To: Honorable Commissioner Rebeca Sosa
District 6

From: R. A. Cuevas, Jr.
County Attorney 

Subject: Legal issues attendant to current financial exigencies at PHT

You have inquired about the legal responsibilities of the County to the Public Health Trust ("PHT") and Jackson Health System.

LEGAL RELATIONSHIP OF THE PHT TO THE COUNTY:

The County owns Jackson Memorial Hospital ("JMH") and related facilities in the Jackson Health System. It has transferred possession and operating control of these facilities in trust to the "PHT". The beneficiaries of the trust are "the people of Miami-Dade County who, with regard to the Trust, shall be represented only by the Board of County Commissioners." Sec. 25A-7 of the Code of Miami-Dade County. The PHT is an agency and instrumentality of the County.

The PHT has the power to enter into contracts, which as a general matter are not binding on the County. Sec. 25A-4(c) of the Code.¹ The PHT cannot, without prior approval of the County Commission: change the contractual relationship with the University of Miami; enter into any contract the effect of which is to change substantially the health care delivery policies established by the County; or, enter into a contract with any labor union. *Id.* Because the PHT does not have the independent authority to enter into a labor contract, the County, as a matter of state labor law, is a party to and is bound by the contracts with the PHT's labor unions.

The County is obligated to make certain payments related to the operation or capital needs of the designated facilities operated by the PHT. The County has levied a half cent county public hospital sales surtax the proceeds of which must be utilized for the operation, maintenance and administration of JMH. As a condition of levying the surtax, the County is required to contribute each year a sum of money (maintenance of effort) that is no less than 80 percent of the general fund support provided for the operation of JMH at the time the surtax was levied.

The County has issued revenue bonds for the benefit of the PHT which are secured by certain PHT revenues and by a pledge from the County to replenish certain shortfalls through annual appropriation from legally available, non-*ad valorem* revenues.

¹ There may be instances where, because of the inconclusive status of the law, arguments could be advanced that the County has liability for a particular PHT obligation.

Hon. Commissioner Rebeca Sosa
District 6
Page 2

The County has also entered into various Sunshine State loans for certain improvements and equipment for the designated facilities. These loans are secured by and paid from annual appropriation by the County from legally available, non-*ad valorem* revenues.

ENSURING CONTINUED LOCAL CONTROL OVER THE OPERATION OF JMH AND RELATED JACKSON HEALTH SYSTEM FACILITIES:

The question has arisen whether the current financial exigencies of the PHT could jeopardize local control over the operation of JMH and other Jackson Health System facilities.

Neither the County nor the PHT can be involuntarily subjected to the jurisdiction of the federal bankruptcy court. This means that unpaid creditors cannot initiate proceedings in bankruptcy court for the benefit of such creditors.

Chapter 218, Florida Statutes, does provide a state procedure whereby the Governor can initiate oversight of a local governmental entity experiencing a financial emergency if certain statutory conditions are met. Among the statutory conditions that could trigger such oversight are: the failure to pay uncontested claims from creditors within 90 days after being presented as a result of lack of funds; and, the failure for one pay period to pay wages and salaries owed to employees due to lack of funds.

The local governmental entities subject to state oversight under Chapter 218 are a “county, municipality or special district.” While the PHT is an agency and instrumentality of the County, it is not clear whether the Governor would consider the PHT to be a part of the County for purposes of Chapter 218. There are no reported cases or Attorney General Opinions holding that an agency or instrumentality of a county is subject to the state oversight process, nor are there any cases or opinions holding that an agency or instrumentality of a county is not subject to the oversight process. Thus, it is unclear whether the Governor would conclude that the PHT could be subjected to the state oversight process if one of the statutory conditions were claimed to exist, or whether a court reviewing a gubernatorial decision to that effect would concur in that decision.

If the Governor concludes the PHT is subject to state oversight, the Governor could implement “assistive measures,” including but not limited to: inspecting the local government entity’s assets; requiring approval of the local governmental entity’s budget; prohibiting the local governmental entity from issuing additional forms of debt; and/or requiring an operational plan that prohibits a level of operations which can be sustained only with nonrecurring revenues.

Expeditious development of a plan to address the current financial exigencies at the PHT affords the best assurance for continued local control over the operations of JMH and related Jackson Health System facilities.

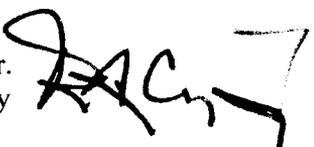
c: Hon. Chairman Dennis C. Moss
and Members, Board of County Commissioners
Hon. Carlos Alvarez, County Mayor
George M. Burgess, County Manager
Dr. Eneida Roldan, President and CEO, Jackson Health System
John C. Copeland, Chairperson, PHT
Alina T. Hudak, Assistant County Manager

Memorandum



Date: March 9, 2011

To: Hon. Commissioner Sally A. Heyman
District 4

From: R. A. Cuevas, Jr.
County Attorney 

Subject: Steward's Proposal for acquisition of Jackson Health System

Steward Health Care System LLC ("Steward") has submitted an Execution Document for Due Diligence Process (the "Proposal") to the County for the acquisition of Jackson Health System ("JHS"). You have asked several questions about this matter. This memorandum responds to your questions and other issues raised when this matter was before the Commission.

I

Your first question asks whether the half-penny sales surtax can be transferred to the proposed new owner.

The County has levied a half-penny County Public Hospital Sales Surtax. The proceeds of this tax can only be used "for the operation, maintenance, and administration of the county public general hospital" defined as a hospital "owned, operated, maintained or governed" by the County or the Public Health Trust ("PHT"). Section 212.055(5), Fla. Stat. As a condition of levying the surtax, the County is required to contribute annually from general county revenues a statutorily defined percentage of the total county budget for the "operation, administration, and maintenance of the county public general hospital." *Id.* The voters of Miami-Dade County approved the levy by referendum. It is my understanding that the combined total of County surtax and maintenance of effort revenues contributed annually to the PHT is over \$360 million.

The continued availability of these revenues depends upon whether the hospital, following the contemplated transaction, is a "county public general hospital" as defined in the statute. The Proposal provides "in order to eliminate the [County's] risks associated with the operations of JHS, Steward will assume all responsibility for operations of JHS by acquiring all of the property, plant, equipment and operations of JHS."¹ The Proposal's reference to a continued "robust role" for the County after acquisition by Steward is limited to "providing oversight and input regarding the prioritization of capital, participation in the development of programs for the community, the monitoring quality and patient safety initiatives and the oversight of funds received from the County, whether through the Half-Penny Tax or other sources, for the support of the uninsured/underinsured." Neither the statute authorizing the tax, nor the ballot question posed to the voters to implement it, envision the County's limited role which would result from the transaction suggested in the Proposal.² For these reasons, the Proposal does not appear to provide a sound basis for transfer of these revenues to a private owner/operator as proposed by Steward.

¹ The Proposal is unclear as to the extent of JHS assets to be acquired: whether it's limited to designated facilities managed by the PHT, or includes other facilities operated under the PHT umbrella such as clinics, HMO's, community practices and rentals.

² The ballot question provided that the surtax proceeds would be used "for the operation, maintenance and administration of Jackson Memorial Hospital to improve health care services such as: emergency room treatment/trauma care for life-threatening injuries; critical care for infants and children; obstetric and gynecological services; treating cancer and heart disease; treating severe burns, spinal cord injuries, and Alzheimer's disease."

Hon. Commissioner Sally A. Heyman
District 4
Page 2

II

Your second question asks whether any agreement we make with Steward binds “our partners, i.e., UM and FIU?” PHT holds Basic Affiliation Agreements and annual operating agreements with the University of Miami and with Florida International University. These agreements establish the relationships between UM/FIU Physicians and PHT. Both Affiliation Agreements contain succession clauses providing that should governance become the responsibility of the County Commission or other entity designated by the Commission, the County Commission or other entity shall succeed the Trust in its rights and obligations under the Agreements. The Affiliation Agreements have four year termination clauses. The Proposal’s effect on these agreements should be explored with UM and FIU.

III

Your third question asks what obligations arise out of the proposed due diligence procedure.

The obligations are that the PHT will, within the time frames envisioned in the Proposal, make its records available to Steward and will direct PHT staff to work with Steward on an analysis, evaluations, tours, meetings and discussions thereon.³ After completion of the due diligence period, Steward will present a proposal to the County for acquisition of JHS. The County will then be free to “shop” that proposal for 30 days to other parties and have two weeks after the close of the 30 day period to compare all proposals received. Steward would have an opportunity to amend its proposal in light of competing proposals submitted by other interested parties and wants the County to respond within one week. The County would have the option of accepting Steward’s amended proposal, rejecting it, or entering into negotiations with any other interested party. Should any other party reach successful negotiations with the County, Steward “would be reimbursed by the acquiring party for the costs applicable to its due diligence.”⁴

IV

The property on which Jackson Memorial sits is subject to a reverter that provides that it reverts to the City of Miami “in the event Dade County fails to operate a hospital on said premises or on other premises within Dade County offering comparable hospital facilities.” The deed further contains a condition that the County shall provide care for the poor, indigent and needy within Miami-Dade County.

The PHT has contracts with various unions that may be affected by the Proposal. The continued applicability of the labor contracts to the surviving entity is an issue under federal law.

JHS also has a number of partners beyond UM and FIU, for example, community practice relationships, whose contractual relationships with JHS may be impacted by the Proposal. Prior to acquisition, as part of the due diligence period, the parties will need to inventory contracts, certificates of need, reimbursement agreements. Those may contain various commitments, for example to provide indigent care, or methods and limitations for assignment.

³ The Proposal does not define the level of commitment of PHT resources to the due diligence effort, and is unclear as to how to accomplish the exclusivity that Steward requires during the due diligence period consistent with the requirements of the Public Records law.

⁴ The Proposal is silent as to how the reimbursement costs are calculated, how long that reimbursement commitment will be outstanding, and whether it extends beyond this initial process.

Appendix F

Hon. Commissioner Sally A. Heyman

District 4

Page 3

Under the state licenses issued for operation of PHT facilities, a change of ownership for hospital and other health care facilities requires sixty day notice to the state, which performs a discretionary review of the change. This approval may affect the length of the due diligence period. Additional licensure and regulatory approval is needed for change of ownership of the JHS non-facility components, for example, the managed care division.

The County has issued a series of bonds in the approximate amount of \$273 million for the PHT with an annual debt service of approximately \$24.9 million. The bonds pledge all revenues from the operation of the PHT. The legal and financial implications of the Proposal to these bonds must be addressed.

In 2005 and 2006, the County borrowed approximately \$87 million under Florida's Sunshine State loan program to benefit the PHT. The legal and financial implication of the Proposal to these loans must be addressed.

As a final matter, the County has the authority to convey JHS pursuant to the usual competitive bid process to the "highest and best bidder" under Florida Statutes section 125.35. It also has the authority to convey a county hospital by means of a negotiated sale under Florida Statutes section 155.40. Embarking on the due diligence procedure contemplated by the Proposal could as a practical and legal matter preclude the ability thereafter to change to a competitive bid process.

The foregoing are the major legal issues presented by the Proposal. We are available to address any of these issues in greater depth at yours or the Commission's convenience.

cc: Hon. Chairman Joe A. Martinez and Members,
Board of County Commissioners
Hon. Carlos Alvarez, Mayor
George M. Burgess, County Manager
Eneida O. Roldan, MD, MPH, MBA,
President and CEO of the PHT
Chair John H. Copeland, III, and Members
of the Public Health Trust

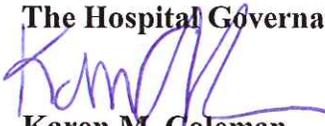
This page intentionally blank



MEMORANDUM

TO: Juan Zapata, Chairman;
Susan Dechovitz, Vice-Chairwoman;
Honorable Members of
The Hospital Governance Taskforce

DATE: May 6, 2011

FROM: 
Karon M. Coleman
Assistant County Attorney

SUBJECT: Sunshine Law,
Public Records,
Sovereign Immunity &
Public Benefit Corporation

This memorandum is to provide a general framework of the Sunshine Law, the Public Records Act and Sovereign Immunity for the benefit of the Hospital Governance Taskforce as it considers various models of governance for the Public Health Trust and the Jackson Health System. It also explores Public Benefit Corporations.

I. SUNSHINE LAW AND PUBLIC RECORDS ACT¹

A. **Public Hospitals.** Public Hospitals are subject to the Sunshine Law and the Public Records Act. Section 395.3035, Fla. Stat. However, the following specific activities are exempt from the Sunshine Law and Public Records Act:

1. strategic plans (395.3035, Fla. Stat);
2. contract negotiations with nongovernmental entities (395.3035, Fla. Stat.);
3. managed care contracts (395.3035, Fla. Stat.), trade secrets (395.3035, Fla. Stat);
4. peer review (395.0193, Fla. Stat.);
5. medical review committee/quality evaluations (766.101, Fla. Stat);
6. risk management evaluation of claims and offers of compromise (768.28(16));
7. internal risk management programs (395.0197, Fla. Stat);
8. terrorism, security and emergency management (395.1056, Fla. Stat);
9. security system plans, 286.0113, Fla. Stat.

Several of these exemptions are of limited duration such as strategic planning which requires the transcript of the meeting to be made available to the public upon implementation of the strategic plan or three (3) years whichever is sooner. Others remain exempt without limitation such as peer review and risk management programs.

¹ For purposes of this discussion, reference to the Sunshine Law shall include both Article I, Section 24(b) of the Florida Constitution and Section 286.011 of Florida Statutes and the Public Records Act shall include both Article I, Section 24(a) of the Florida Constitution and Chapter 119 of Florida Statutes.

Memorandum to Hospital Governance Taskforce
Sunshine Law, Public Records and Sovereign Immunity

B. Corporations Created by Government Pursuant to Statute. The Attorney General has opined that entities created pursuant to statute are subject to the Sunshine Law and Public Records Act. See Attorney General Opinions 92-80, 04-44, 98-55, 98-42, 05-27 and 92-53. This would most likely include corporations identified as public benefit corporations. Some of the statutes creating public benefit corporations include provisions specifying that the corporation will be subject to the Sunshine Law and Public Records. See Section 215.56005, Fla Stat. regarding Tobacco Settlement Financing Corporation; See generally Section III for discussion of Public Benefit Corporations.

C. Private Corporations that Lease Public Hospitals. According to Section 395.3036, Fla.Stat.², a private corporation that leases a public hospital is exempt from the Public Records Law and the Sunshine Law as long as the public lessor (the government) complies with the public finance accountability provisions of Section 155.40(5),F.S. with respect to the transfer of any public funds to the private corporation³ and at least three of the following five criteria:

1. the government was not the incorporator of the private corporation;
2. there is no commingling of funds between the government and the private corporation in any account maintained by either entity, except for payment of rent and administrative fees or the transfer of funds pursuant ;
3. the private entity does not participate in the decision-making for the government;
4. the lease agreement does not expressly require the private corporation to comply with the Sunshine Law and Public Records Law;
5. the government is not entitled to receive any revenues from the private entity (except rents or administrative fees) and the government is not responsible for debts or other obligations of the private corporation.

D. Other Models Using Private Corporations. For other models utilizing private corporations, it is necessary to apply the Supreme Court tests for determining if that private corporation is acting on behalf of the government for purposes of the Public Records Act and the Sunshine Law.

² Section 395.3036, Fla. Stat. was found to be a constitutionally permissible limitation on the Sunshine Law and Public Records law, but Section 155.40(6) & (7), Fla. Stat. (2004) -- which declared that the sale or lease of a public hospital was not be considered a transfer of government function and that the lessee was not be acting on behalf of the government -- was not constitutional. Baker County Press Inc. vs. Baker County Medical Services, 870 So. 2d 189 (1st DCA 2004), rev. den. 885 So. 2d 386 (Fla. 2004)

³ Section 154.40(5), Fla. Stat.: "In the event a hospital operated by a for-profit or not-for-profit Florida corporation receives annually more than \$100,000 in revenues from the county, district, or municipality that owns the hospital, the Florida corporation must be accountable to the county, district, or municipality with respect to the manner in which the funds are expended by either:

- (a) Having the revenues subject to annual appropriations by the county, district, or municipality; or
- (b) Where there is a contract to provide revenues to the hospital, the term of which is longer than 12 months, the governing board of the county, district, or municipality must be able to modify the contract upon 12 months notice to the hospital."

Memorandum to Hospital Governance Taskforce
Sunshine Law, Public Records and Sovereign Immunity

1. The Public Records Act. There are two tests that can be applied to determine if the Public Records Act applies to a private entity. The first test is the delegation test: if a public entity delegates a statutorily authorized function to a private entity, any records generated by the private entity's performance of that duty becomes a public record. Memorial Hospital-West Volusia, Inc. v. News-Journal Corp., 729 So. 2d 373, 381 (Fla. 1999); Memorial Hospital-West Volusia Inc. v. News-Journal Corp., 927 So. 2d 961, 966 (5th DCA 2006).

If the delegation of statutory responsibilities is not so obvious, the Supreme Court requires that the matter be analyzed under totality of factors test. News and Sun-Sentinel Co. v. Schwab, Twitty & Hanser Architectural Group, Inc. 596 So. 1029, 1031 (Fla. 1992). In order to determine if a private entity is acting on behalf of government for purposes of the Public Records Act, the following factors are to be considered:

- a. the level of public funding;
- b. commingling of funds;
- c. whether the activity is conducted on publicly owned property;
- d. whether services contracted for are an integral part of the public agency's chose decision-making process;
- e. whether the private entity is performing a governmental function or a function which the public agency would otherwise perform;
- f. the extent of the public agency's involvement with, regulation of, or control over the private entity;
- g. whether the private entity was created by the public agency;
- h. whether the public agency has a substantial financial interest in the private entity; and
- i. for who's benefit is the private entity functioning.

News and Sun-Sentinel Co. v. Schwab, Twitty & Hanser Architectural Group, Inc. 596 So. 2d at 1031. If the combined factual findings regarding the nine (9) factors show that the private entity is acting on behalf of the public entity, then the Public Records Act applies. The Supreme Court has specifically encouraged private entities to review the Schwab factors to determine if they are acting on behalf of the government for purposes of the Public Records Act. Memorial Hospital-West Volusia, Inc. v. News-Journal Corp., 729 So. 2d at 380.

2. Sunshine Law. A private entity is subject to the provisions of the Sunshine Law if a public entity delegates the performance of all or a portion of its public purpose to that private entity. Memorial Hospital-West Volusia, Inc. v. News-Journal Corp., 729 So. 2d at 383; Town of Palm Beach v. Gradison, 296 So. 2d 473 (Fla. 1974). The Fifth District Court of Appeals applied the totality of factors test (used for Public Records Act) to determine whether or not the Sunshine Law applied to a private entity that purchased a public hospital. See Memorial Hospital-West Volusia Inc. v. News-Journal Corp., 927 So. 2d 961, 966 (5th DCA 2006). Also, the Attorney General has opined that receipt of Medicare, Medicaid, government grants or loans by a private hospital does not subject that hospital to the Sunshine Law. AGO 80-45.

Memorandum to Hospital Governance Taskforce
Sunshine Law, Public Records and Sovereign Immunity

E. Public Hospital/Private Corporation Cases. There is an interesting historical interplay between the Florida Legislature and the Florida courts regarding the applicability of the Sunshine Law and Public Records Law to private corporations which lease, operate or purchase public hospitals. The courts were inclined to find that these open government laws applied, while the Legislature kept attempting to exclude these transactions from the Sunshine Law and the Public Records Act. When the Legislature created Section 395.3036, Fla. Stat. (the exemption for private corporations leasing public hospitals), it made the following findings:

Public entities have chosen to privatize the operations of their public hospitals and public health care facilities in order to alleviate three problems that pose a significant threat to the continued viability of Florida's public hospitals:

- (a) A financial drain on the facilities from their forced participation in the Florida Retirement System;
- (b) *The competitive disadvantage placed on these facilities vis a vis their private competitors resulting from their required compliance with the state's public records and public meetings laws;* and
- (c) State constitutional restrictions on public facility participation in partnerships with private corporations as a result of the limitations contained in the State Constitution....

Baker County Press, Inc. v. Baker County Medical Services, Inc. 870 So. 2d 189, 194-95 (1st DCA 2004) quoting Chapter 98-330, Sec. 2 at 2846-47, Laws of Florida (emphasis added).

To learn more about the policy and legal arguments regarding the applicability of the Sunshine Law and the Public Records Act to the sale or lease of public hospitals to private corporations, the following cases are recommended: Sarasota Herald-Tribune Co. v. Community Health Corp., 582 So. 2d 730 (2nd DCA 1991); Memorial Hospital-West Volusia Inc. v. News-Journal Corp., 729 So. 2d 373 (Fla. 1999); Indian River County Hosp. District v. Indian River Memorial Hosp., 766 So. 2d 233 (4th DCA 2000); Baker County Press, Inc. v. Baker County Medical Center, 870 So. 2d 189 (1st DCA 2004); Memorial Hospital-West Volusia Inc. v. News-Journal Corp., 927 So. 2d 961 (5th DCA 2006).

II. SOVEREIGN IMMUNITY

A. In General. Sovereign immunity prohibits/restricts tort suits against the government; government cannot be sued without its consent. According to Article X, Section 13 of the Florida Constitution of Florida Constitution: “Provision may be made by general law for bringing suit against the state as to all liabilities now existing or hereafter originating.”

The legislature waived sovereign immunity on a limited basis⁴ for state and political subdivisions through enactment of section 768.28 of Florida Statutes. According to 768.28 of Florida Statutes:

(1) In accordance with s. 13, Art. X of the State Constitution, the state, for itself and for its agencies or subdivisions, hereby waives sovereign immunity for liability for torts, but only to the extent specified in this act. Actions at law against the state or any of its agencies or subdivisions to recover damages in tort for money damages against the state or its agencies or subdivisions for injury or loss of property, personal injury, or death caused by the negligent or wrongful act or omission of any employee of the agency or subdivision while acting within the scope of the employee’s office or employment under circumstances in which the state or such agency or subdivision, if a private person, would be liable to the claimant, in accordance with the general laws of this state, may be prosecuted subject to the limitations specified in this act....

* * *

(9)(a) No officer, employee, or agent of the state or of any of its subdivisions shall be held personally liable in tort or named as a party defendant in any action for any injury or damage suffered as a result of any act, event, or omission of action in the scope of her or his employment or function, unless such officer, employee, or agent acted in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property....

B. State Agencies and Subdivisions. Section 768.28(2) of Florida Statutes defines “state agencies or subdivisions” as “the executive departments, the Legislature, the judicial branch (including public defenders), and the independent establishments of the state, including state university boards of trustees; counties and municipalities; and *corporations primarily acting as instrumentalities or agencies of the state, counties, or municipalities*, including the Florida Space Authority.” (emphasis added).

⁴ \$100,000 for a claim/judgment by one person (increases to \$200,000 on October 1, 2011); \$200,000 totaling all claims arising from same incident (increases to \$200,000 on October 1, 2011). Special Claims Bill must be approved by Legislature for any amount beyond these caps

Memorandum to Hospital Governance Taskforce
Sunshine Law, Public Records and Sovereign Immunity

C. The Public Health Trust. The Third District Court of Appeals found that the Public Health Trust was a state agency pursuant to the definition in Section 768.28 of Florida Statute. Jaar v. University of Miami, 474 So. 2d 239 (3d DCA 1985).

D. Special Taxing District. The Supreme Court concluded that a hospital special taxing district is an independent establishment of the state for purposes of Section 768.28, Fla. Stat. Eldred v. North Broward Hospital District, 498 So. 2d 911, 912 (Fla. 1986).

E. Public Benefit Corporation. There is a strong likelihood that a public benefit corporation would be found to meet the definition of “corporations primarily acting as instrumentalities or agencies of the state, counties or municipalities” in Section 768.28, Fla. Stat.

The case of Prison Rehabilitative Industries and Diversified Enterprises, Inc. v. Betterson, 648 So. 2d 778 (1st DCA 1995) involved a not for profit organization that was mandated by state statute, s. 946.502 Fla. Stat., for the purposes of creating occupational training and other opportunities for inmates. The court held that PRIDE was an agency and instrumentality of the state for purposes of the sovereign immunity statute because the corporation was subject to a number of statutory mandates with regard to its operations –such as who it could contract with and who it could sell its products to – as well as needing approval from the governor regarding its article of incorporation, being subject to state audits, receiving operational funding from the state and being subject to reversion of property to the state if it ceased to exist.

While this state-mandated not for profit corporation is not identified as a public benefit corporation in its enabling statute, it is mostly likely that the analysis for a public benefit corporation would be similar.

F. Corporation Acting as an Instrumentality or Agency.

1. An Issue of Fact. Whether a corporation is acting as an instrumentality or agency of the state, county or municipality is an issue of fact for a judge or jury. Metropolitan Dade County v. Glaser, 1999 WL 89427 (3d DCA 1999).

2. A Matter of Control. Generally, the analysis of whether a corporation is an instrumentality or agency of government centers on the issue of control: the more control that a governmental entity has over the corporation, the more likely the corporation will be found to be an agency and instrumentality of that governmental entity.

a. The control must be more than just control over the outcome, it must be control over the means to achieve that outcome. Dorse v. Armstrong World Industries, Inc., 513 So. 1265, 1268 n.4 (Fla. 1987).

b. Government must be able to control day to day operations. Shands Teaching Hospital and Clinics, Inc. v. Lee, 478 So. 2d 77 (1st DCA 1985).

Memorandum to Hospital Governance Taskforce
Sunshine Law, Public Records and Sovereign Immunity

c. The corporation must be subject to something more than the sort of control that is exercised by the government in its regulatory capacity. U.S. v. Orleans, 425 US 807 (1976).

d. Control that flows from a simple contractual arrangement between a governmental entity and a corporation ordinarily will not be sufficient to establish that the contracting corporation is an instrumentality or agency of the state. Mingo v. ARA Health Services, 638 So. 2d 85 (2nd DCA 1994).

e. Mere fact that corporation is created by the government will not necessarily establish that corporation is a government agency or instrumentality. Doe v. Am. Red Cross, 727 F. Supp 186 (E.D. 1989).

f. An independent contractor is not an agent and therefore “cannot share in the full panorama of the government’s immunity.” Dorse v. Armstrong World Industries, Inc., 513 So. 1265, 1268 (Fla. 1987).

3. A Few Examples.

a. Pagan v. Sarasota County Public Hosp. Bd., 884 So. 2d 257 (2d DCA 2004) This case provides a good example of a factual finding that a not for profit corporation was an agency and instrumentality of a local government. The Second District Court of Appeals concluded that a not for profit physician’s group created by the Sarasota County Public Hospital Board was an agency and instrumentality of the Hospital District Board because the Board had an undeniable right to control the operations of the not for profit physician’s group. To wit: the Hospital Board created the not for profit; it had the authority to dissolve it and have its assets revert to the Hospital Board; it elected the not for profit’s board members, which included a majority of Hospital Board members; the Hospital District Chief Executive Officer served as the President of the not for profit; and Hospital Board funds were used to create and operate the not for profit.

b. Shands Teaching Hospital and Clinics, Inc. v. Lee, 478 So. 2d 77 (1st DCA 1985). Legislature authorized the lease of Shands Teaching Hospital to a private non-profit corporation organized for the purpose of operating the hospital and other health care facilities. Court concluded that intent of the Legislature was to treat Shands as an autonomous, self-sufficient entity, and not as an instrumentality acting on behalf of state. Additionally, court found that the day to day operations of Shands were not under the direct control of the state and therefore Shands was not an instrumentality of the state for purposes of sovereign immunity.

c. Metropolitan Dade County v. Glaser, 1999 WL 89427 (3d DCA 1999). The County provided operating funds and oversaw expenditures for a public housing tenants’ advisory council, but had no control or input into any of the organization’s operations or actions, and did not control the outcome of the organizations activities nor the means used to achieve organization’s goals; therefore, the County did not have an agency relationship with the organization.

Memorandum to Hospital Governance Taskforce
Sunshine Law, Public Records and Sovereign Immunity

d. Skoblow v. Ameri-Manage, Inc. 483 So. 2d 809 (3d DCA 1986). State entered into a contractual relationship with Ameri-Manage to provide direct management services for South Florida State Hospital, coordinate the development of a long-range plan for the hospital consistent with legislative mandate and assist the state in planning for forensic services. Court concluded that an examination of the relationship was dispositive that Ameri-Manage was operating as an agency of the state.

e. Mingo v. ARA Health Services, Inc. 638 So. 2d 85 (2d DCA 1994). County entered into contract with ARA Health Services to provide medical services to inmates. Based on the plain language of the contract -- which stated that company was providing services as an independent contractor and was not to be considered an agent, employee, partner nor joint venturer of the County -- company was not an instrumentality or agent of County for purposes of sovereign immunity.

G. Language of s. 155.40, Fla. Stat. Whereas the language in the sovereign immunity statute indicates that a corporation must be “primarily acting as instrumentalities or agencies of the state, counties, or municipalities,” the language in Section 155.40, Fla. Stat. emphasizes that a corporation that leases or purchases a public hospital should not be considered to be “acting on behalf of” a governmental entity. Section 155.40(7), Fla. Stat. states: “The lessee of a hospital, under this section or any special act of the Legislature, operating under a lease shall not be construed to be *‘acting on behalf of’* the lessor as that term is used in statute, unless the lease document expressly provides to the contrary.” (emphasis added). Also, Section 155.40(8(b) states:

A complete sale of a hospital as described in this subsection shall not be construed as:

1. A transfer of a governmental function from the county, district, or municipality to the private corporation or other private entity purchaser;
2. Constituting a financial interest of the public agency in the private corporation or other private entity purchaser;
3. *Making the private corporation or other private entity purchaser an “agency” as that term is used in statutes;*
4. Making the private corporation or other private entity purchaser an integral part of the public agency’s decisionmaking process; or
5. *Indicating that the private corporation or other private entity purchaser is “acting on behalf of a public agency” as that term is used in statute.*

(Emphasis added). And while it appears the Legislature included this language to avoid the application of the Sunshine Law and Public Records Act to corporations that lease or purchase public hospitals, it also has the impact of distancing these corporations from the sovereign immunity statute as well.

Memorandum to Hospital Governance Taskforce
Sunshine Law, Public Records and Sovereign Immunity

The Attorney General has opined twice on whether or not the sovereign immunity statute applies when a public hospital is leased to a private corporation pursuant to Section 155.40, Fla. Stat. In both instances, the Attorney General found that the sovereign immunity statute applied. In the first opinion, the Southeast Volusia Hospital District had formed a not-for profit organization for purposes of operating hospitals and other health care facilities. The District was the sole member of the corporation and the membership of the District Board served as the membership of the Bert Fish Medical Center Inc. Board. Furthermore, the lease agreement indicated that there was intended to be a “transfer of government function” from the District to the corporation, and the corporation was considered to be “acting on behalf of “ the district.” AGO 05-24.

In the second opinion, the Attorney General also found that Citrus County Hospital Board, a special hospital district, created the Citrus Memorial Health Foundation, Inc, a not for profit corporation, for the purposes of carrying out the responsibilities of the Board. Again, the lease intended to transfer the government function from the Board to the corporation and corporation was to be considered to be acting on behalf of the Board when fulfilling its obligations under the lease. Furthermore, the Board was the sole member of the corporation, the Board appropriated funds to the corporation for the purpose of providing medical care to the residents of the County, in the event of dissolution the assets would revert to the Board and the members of the Board also served as members of the board for the corporation. The Attorney General concluded that the Citrus Memorial Health Foundation Inc was acting primarily as an instrumentality of the Board for purposes of the sovereign immunity statute. AGO 06-36.

In both these cases, the facts supported a finding that the governmental entities exercised sufficient control over the not for profit organizations to support a finding that the corporations were primarily acting as an instrumentality or agent; similar to the Pagan v. Sarasota County Public Hospital case.

H. **Shands Sovereign Immunity Bill.** SB 626. This bill amends Section 1004.41 of Florida Statutes, “University of Florida; J. Hillis Miller Health Center” to recognize Shands Teaching Hospital and Clinics, Inc., Shands Jacksonville Medical Center Inc, Shands Jacksonville Health Care Inc. and any not for profit subsidiary of these corporations as instrumentalities of the state for purposes of sovereign immunity (768.28(2), F.S.). Therefore, while interesting, this bill would not apply to Miami-Dade County, the Public Health Trust or any not for profit that leased the Jackson Health System.

III. PUBLIC BENEFIT CORPORATION

There is no particular statute outlining the particulars of a public benefit corporation. However, dispersed throughout the Florida Statutes are several examples of Florida public benefit corporations. Each one appears distinct in terms of its authority, powers, duties, restrictions and limitations, but they all seem to have something to do with financing. Here are some examples:

A. Florida Water Pollution Control Financing Corporation. Section 403.1837, Fla. Stat. “Florida Water Pollution Control Financing Corporation is created as a nonprofit public-benefit corporation for the purpose of financing or refinancing the costs of projects and activities described in [various statutes]. The projects and activities described in those sections constitute a public governmental purpose; are necessary for the health, safety and welfare of all residents; and include legislatively approved fixed capital outlay projects. Fulfilling the purposes of the corporation promotes the health, safety and welfare of the people of the state and services essential governmental functions and is of paramount public purpose. “

.B. Inland Protection Financing Corporation. Section 376.3071, Fla. Stat. “...[I]tis hereby determined to be in the best interest of, and necessary for the protection of the public health, safety and general welfare of the residents of this state, and therefore of paramount public purpose, to provide for the creation of a nonprofit public benefit corporation as an instrumentality of the state to assist in financing the functions provided in [various statutes] and to authorize the department to enter into one or more service contracts with such corporation for the provision of financing services related to such function and to make payments thereunder from the amount on deposit in the Inland Protection Trust Fund, subject to annual appropriations by the Legislature.”

C. Tobacco Settlement Financing Corporation. Section 215.56005, Fla. Stat. “The Tobacco Settlement Financing Corporation is hereby created as a special purpose, not-for-profit, public benefits corporation, for the purpose of purchasing any or all of the state’s right, title, and interest in and to the tobacco settlement agreement and issuing bonds to pay the purchase price therefor which shall be used to provide funding for the Lawton Chiles Endowment Fund. The corporation is authorized to purchase any or all of the state’s right, title, and interest in and to the tobacco settlement agreement and to issue bonds to pay the purchase price therefor. The proceeds derived by the state from the sale of any or all of the state’s right, title, and interest in and to the tobacco settlement agreement shall be used to fund the Lawton Chiles Endowment Fund. The fulfillment of the purposes of the corporation promotes the health, safety, and general welfare of the people of this state and serves essential governmental functions and a paramount public purpose.” Statute specifically makes the corporation subject to Sunshine Law and Public Records Act.

D. Florida Hurricane Catastrophe Fund Finance Corporation. Section 215.555(6)(d), Fla. Stat. “In addition to the findings and declarations in subsection (1), the Legislature also finds and declares that: a. The public benefits corporation created under this paragraph will provide a mechanism necessary for the cost-effective and efficient issuance of bonds. This mechanism will eliminate unnecessary costs in the bond issuance process, thereby increasing the amounts available to pay reimbursement for losses to property sustained as a result of hurricane

Memorandum to Hospital Governance Taskforce
Sunshine Law, Public Records and Sovereign Immunity

damage.; b. The purpose of such bonds is to fund reimbursements through the Florida Hurricane Catastrophe Fund to pay for the costs of construction, reconstruction, repair, restoration, and other costs associated with damage to properties of policyholders of covered policies due to the occurrence of a hurricane; c. The efficacy of the financing mechanism will be enhanced by the corporation's ownership of the assessments, by the insulation of the assessments from possible bankruptcy proceedings, and by covenants of the state with the corporation's bondholders. 2.a. There is created a public benefits corporation, which is an instrumentality of the state, to be known as the Florida Hurricane Catastrophe Fund Finance corporation."

E. Other State-Created Corporations. There are other corporations that are created by the state that are not specifically designated public benefit corporations. Again, here are a few examples:

1. Prison Rehabilitative Industries and Diversified Enterprises, Inc. described in Prison Rehabilitative Industries and Diversified Enterprises, Inc. v. Betterson, 648 So. 2d 778 (1st DCA 1995) and created pursuant to Section 946.502 of Florida Statutes (discussed above in II(E)).

2. Work Force Florida Inc.. Created by Section 445.004, Fla. Stat. to be the principal workforce policy organization for the state. Specifically includes a provision to comply with Sunshine Law and Public Records Act.

3. Scripps Florida Funding Corporation. Section 288.955, Fla. Stat. "The corporation shall be organized to receive, hold, invest, administer, and disburse funds appropriated by the Legislature for the establishment and operation of a state-of-the-art biomedical research institution and campus in this state by The Scripps Research Institute. The corporation shall safeguard the state's commitment of financial support by ensuring that, as a condition for the receipt of these funds, the grantee meets its contractual obligations. In this manner, the corporation shall facilitate and oversee the state goal and public purpose of providing financial support for the institution and campus in order to expand the amount and prominence of biomedical research conducted in this state, provide an inducement for high-technology businesses to locate in this state, create educational opportunities through access to and partnerships with the institution, and promote improved health care through the scientific outcomes of the institution" Specifically includes a provision to comply with Sunshine Law and Public Records Act.

F. Expressway Authorities and Transportation Authorities. These entities were considered instrumentalities of the state pursuant to the various statutes in Chapters 343 and 348 of Florida Statutes.

IV. Conclusion

The characteristics that would tend to support the finding that a corporation is acting primarily as an instrumentality or agency of the state, county or municipality – control of the corporation by the governmental entity – for purposes of sovereign immunity tend to also be the same characteristics that would support the conclusion that the corporation is acting on behalf of the state, county or municipality for purposes of the Sunshine Law and the Public Records Act.

Similarly, if a corporation is acting independently enough to be found not to fall within the auspices of the Sunshine Law and the Public Records Act, it is likely to also be found that the corporation is sufficiently separate from government and not to privy to the protections of the sovereign immunity statute.

Also, it seems likely that a public benefit corporation or other statutorily-mandated not for profit corporation would fall within the ambit of the Sunshine Law, Public Records Act and the Sovereign Immunity Statute. However, for other corporations with a contractual relationship with the governmental entity, it would depend on whether or not the corporation was acting on the governmental entity's behalf and the level of control exercised by the governmental entity over the corporation.

Memorandum



Date: May 5, 2011

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: R. A. Cuevas, Jr.
County Attorney 

Subject: Resolution R-392-11 Creating Financial Recovery Board

The Commission this week adopted a resolution establishing a Financial Recovery Board ("FRB") that, under Sec. 25A-9 of the Code, will replace the current Board of Trustees as the governing body of the Public Health Trust ("PHT"). The FRB will have seven (7) members. The Commission will appoint four (4) members and the Mayor, Chairperson of the Miami-Dade Legislative Delegation and the President of the South Florida AFL-CIO will each designate one member, subject to ratification by the Commission.

The resolution incorporates several recommendations from the Hospital Governance Taskforce ("Taskforce"). One of the recommendations significantly expands the scope of what constitutes a conflict of interest beyond the current, applicable requirements contained in the Conflict of Interest and Code of Ethics Ordinance ("Conflict of Interest Code") and limits who may be considered for selection and appointment to the FRB. The Taskforce's recommendation is worded as follows:

We urge emphasis on ethics and absence of perceptions of conflicts of interest in the governing body. Members should have no conflicts of interest, personally or as stakeholders, in the outcome of their decisions. The governing body's sole interest should be the future of Jackson Healthcare System [sic].

The Taskforce Chair's transmittal letter characterizes this requirement as follows:

...the governing body must be able to show that it can nimbly and without perceptions of conflicts of interest make the necessary tough decisions in consultation with stakeholders.

The Commission has asked how this heightened standard regarding conflicts of interest should be applied when considering persons for nomination and appointment (or designation and ratification) to the FRB.

As an initial observation, the Board of Trustees, as the current governing body of the PHT, is subject to the Conflict of Interest Code. Sec. 25A-9 provides that the members of the FRB will be subject to the same standards of conduct, including the Conflict of Interest Code, as the current governing body of the PHT. Under the Conflict of Interest Code, the currently sitting members of the Board of Trustees of the PHT are precluded from participating and voting on particular PHT matters in which they could be uniquely benefitted or financially interested.

Hon. Chairman Joe A. Martinez
and Members, Board of County Commissioners
Page 2

They also are generally precluded from transacting business with the PHT, from soliciting or accepting gifts for actions taken in their official capacity, and from exploiting their official position or disclosing confidential information acquired by reason of their official position. Collectively, these proscriptions do not serve to preclude someone from serving on the Board of Trustees who may work for an entity or organization that has a financial interest in certain actions which the PHT may take. The proscriptions may, however, preclude an affected Trustee from participating and voting in a particular matter where that interest is implicated.

The heightened standard regarding conflicts of interest contained in the Taskforce's recommendation goes beyond the Conflict of Interest Code to include "perceived" conflicts of a personal nature and "as stakeholders, in the outcome of [FRB] decisions." The meaning of the term "stakeholders" in the commercial context traditionally refers to individuals or organizations that have a financial or strategic business interest in the business of another organization or entity. Although not defined in the Taskforce's recommendation, a "perceived" conflict of interest is one that a third party might reasonably believe could cause the individual's action or advocacy to be affected by conflicting duties or loyalties whether or not an actual conflict exists.

The FRB will have to make decisions or take action concerning Jackson Health System ("Health System") which includes: five (5) hospitals, the Ryder Trauma Center, a health plan, nursing homes, primary care centers, corrections health, community physician practices, and various related programs and lines of business. There are many stakeholders with respect to each of these aspects. In the case of the Health System which the FRB will be charged with governing, stakeholders would include competitors, contract partners, affiliates, or other groups, institutions, entities or individuals having a financial or strategic business interest in the outcomes of the FRB's decisions or proposed actions, and officers and employees thereof.

"Perceived" conflicts and "stakeholder" conflicts as articulated in the heightened conflict of interest standard preclude appointment to the FRB of potential nominees who would otherwise be eligible to serve on the Board of Trustees currently acting as the governing board of the PHT. In particular, nominees who hold a position with any of the following entities or organizations would not be eligible to serve on the FRB so long as they continue to hold such position:

1. Competitors of the PHT (e.g., another health plan or nursing home) or employees, officers, owners, partners or board members of a competitor;
2. Vendors of the PHT or employees, officers, owners, partners or board members of a vendor of the PHT;
3. Affiliates or contract partners of the PHT (e.g., The University of Miami or The Florida International University) or employees, officers, owners, partners or board members of an affiliate or contract partner;

Hon. Chairman Joe A. Martinez
and Members, Board of County Commissioners
Page 3

4. Physicians, healthcare professionals or other providers on the medical staff of a hospital or health system or otherwise competing with the Health System; and
5. Officers and members of the various unions who have entered into collective bargaining agreements with the PHT.¹

The above list is not exhaustive but is intended to provide guidance to the Commission (and the other designating authorities) when selecting members to the FRB. Application of this heightened standard to prospective appointments to the FRB still may require a case-by-case determination by the Commission.

cc: Alina T. Hudak, County Manager
Charles Anderson, Commission Auditor
Robert Meyers, Executive Director,
Commission on Ethics and Public Trust
Hon. Harvey Ruvlin, Clerk of the Board
Christopher Agrippa, Transitional Division Chief,
Clerk of the Board Division
Carlos A. Migoya, President and CEO, PHT
Marcos J. Lapciuc, Esq. Chairman,
Board of Trustees of the PHT
Juan C. Zapata, Chairman
Hospital Governance Taskforce

¹ Sec. 25A-9 of the Code provides that the President of the South Florida AFL-CIO may designate a person to serve as a member of the FRB, subject to Commission ratification.

This page intentionally blank

Appendix I

Background Information Boston Medical Center (BMC), Boston, MA

Legal Structure, Governance, and Mission

Ownership: Private nonprofit

Governance change:

- In July 1966, two Boston public hospitals (one acute; one long-term care that was closed in 90 days by the agreement) and a private, non-profit hospital (Boston University Medical Center Hospital that was on the campus of but not owned by Boston University) consolidated to form the new, non-profit Boston Medical Center; change required state legislative changes.
- Boston Public Health Commission, a seven-member board, created by the same legislation to provide for public health responsibilities.

Governance: BMC Board of Trustees

Operation: Private nonprofit

Mission:

- Academic medical center and the primary teaching affiliate for Boston University School of Medicine
- Largest safety net hospital in New England and reaches into the community as a founding partner of Boston HealthNet, a network of 15 community health centers through Boston serving more than a quarter million people annually. (In 1997 provided \$146 million in free care to vulnerable population)
- Largest 24-hour Level I trauma center in New England
- Boston Medical Center is a recognized leader in groundbreaking medical research. Boston Medical Center
- More than \$126 million in sponsored research funding in 2010, and oversees 581 research and service projects separate from research activities at Boston University School of Medicine
- Mission to provide exceptional care, without exception

Beds: 639 (per 2009 Annual Report & BMC website)

Employees: 5,121 (per 2011 AHA Guide)

Clinics: Founding partner of 15 Community Health Centers

Sunshine and Sovereign Immunity

Sunshine: No Sovereign Immunity: No

Hospital or Health System: Hospital

- Founding partner of Boston HealthNet, a network of 15 community health centers through Boston serving more than a quarter million people annually.

Board and Autonomy: 30 Trustees

- 10 appointed by the mayor of Boston
- 10 were appointed by the board of the nonprofit hospital in the merger
- 6 ex officio members
- 4 senior officials or physicians appointed by neighborhood health centers in Boston HealthNet

Financial Relationship with County/City: Limited; debt service on City of Boston owned property

Budget Approval

- Operating: Trustees. Capital: ?

Appendix I

Background Information Boston Medical Center (BMC), Boston, MA

Assets

- Some BMC/some City of Boston
- Includes physical plant 90 year lease from City of Boston (Boston Public Health Service Commission)

Teaching Hospital: Yes; primary academic teaching hospital for Boston University School of Medicine

Independence: ?

Medical Staff

- Staffing: 1,300 Physicians
- Physicians' compensation for indigent care: ?
- Physicians' compensation for teaching: ?

Unions

- 10 bargaining units, 4 unions
- Labor contracts are not civil service

Unfunded Care

- How funded, percent funded, & limits: ?
- Contract with local government to fund indigent care: ?
- Federal and/or state funding: For indigent care via various mechanisms

Payor Mix

- 50% Low-income – Medicaid/Health Safety Net Pool (compensated uninsured)
- 30% Medicare
- 20% Commercial, self-pay & others

Revenues

BMC fiscal year ending September 30, 2009 (per BMC 2009 Annual Report)

- Medicare ?
- Medicaid ?
- Charity Care ?
- Net Patient Revenue \$874 million
- Grants & Contract Revenue \$82 million
- Other Revenue \$37 million
- Total Operating Revenue \$993 million

Expenses

BMC fiscal year ending September 30, 2009 (per BMC 2009 Annual Report)

- Salaries, Wages and Benefits \$440 million
- Total Operating Expenses \$1,017 million

Loss from Operations (per BMC 2009 Annual Report): \$25 million

Background Information
Cook County Health and Hospitals System (CCHHS), Chicago, IL

Legal Structure, Governing, and Mission

Ownership:	Government (Cook County, IL)
Governance:	11-member Cook County Health & Hospitals System (CCHHS) Board of Directors
Governance Change:	?
Operation:	Government (CCHHS Board of Directors)
Mission	Provide a comprehensive program of quality health care with respect and dignity, to the residents of Cook County, regardless of their ability to pay.
Beds:	895
Employees:	6,319 full time employees

Sunshine and Sovereign Immunity

– Sunshine: Yes Sovereign Immunity: No (see note below)

Note: CCHHS is included in Cook County self-insurance program. Individuals/patients could sue the health system for malpractice. However, the County Code requires the County to defend and indemnify patient care personnel, public health practitioners (including physicians), the Nominating Committee and the CCHHS Board of Directors, with specified exceptions.

Hospital or Health System: Health System

- John H. Stroger, Jr. Hospital (Flagship Institution). Includes 464 beds, 400 residents and fellows, 300 attending physicians; anchored by 228 medical/surgical beds, with dedicated units for obstetrics, pediatrics intensive care, neonatal intensive care, and burns; 40% of the hospital's space is used for outpatient care, specialty diagnosis and treatment.
- Provident Hospital
- Oak Forest Hospital
- 16 Ambulatory and Community Health Network Clinics
- Cook County Department of Public Health
- Cermak Health Services (correctional health care)
- Rothstein CORE Center

Note: Each of the systems is lead by a Chief Operating Officer (COO).

Board and Autonomy

- 11-member CCHHS Board of Directors with appointed Directors limited to no more than two consecutive five-year terms
- Accountable to: Cook County Board of County Commissioners
- Nomination & selection: Cook County Board of Commissioners created a Nominating Committee of distinguished professionals, which selected 20 individuals from which the Chairman of the Board selected 11 for final consideration by the Board of County Commissioners. One of the 11 Directors shall be the Chairperson of the Health and Hospitals Committee of the County Board and shall serve as an ex officio member with voting rights.
- County Commissioners approve annual operating & capital budget, real estate transactions above a certain limit (\$100K), and other transactions above \$1 million.
- The CCHHS Board of Directors has authority to set salaries and compensation for executives and physicians.

Background Information
Cook County Health and Hospitals System (CCHHS), Chicago, IL

Financial Relationship with County/City

- 2009 CAFR shows CCHHS revenues a proprietary fund of Cook County
- Taxing Authority: No, CCHHS does not have authority to increase taxes, request for tax increases to support the health system are submitted to Cook County Board of Commissioners.
- Percentage of Operating Funds from State/Local Government: ?
- Percentage of Operating Revenue received from City/County (Taxes): 39.6% (\$452.9 million)

Budget Approval:

- Operating Budget: Cook County Board of Commissioners
- Capital Budget: Cook County Board of Commissioners

Assets Ownership: Cook County owns the facilities/assets

Teaching Hospital

- John H. Stroger, Jr. Hospital (Flagship Institution): Yes; has an academic affiliation with Rush Medical College for both undergraduate and graduate medical education, RFUMS(Rosalind Franklin University of Medicine and Science) / The Chicago Medical School, and the Chicago College of Osteopathic Medicine for medical rotations.
- Provident Hospital: No
- Oak Forest Hospital: No

Independence

- Labor Contracts (Authority to approve): Board of Commissioners (Cook County)
- Executive Compensation (Authority to approve): Health System Governing Board

Medical Staff/General Staff

- General Staff/Full Time: 6,319 employees
- Part Time: 676 employees

Unions:

- Hospitals and Health Care Employee Union
- SEIU 73
- Doctors Council
- NNOC – (National Nursing Organization Council)

Note: These unions include more than 60% of the health system workers

Unfunded Care:

- How funded, percentage funded, & limits: ?
- Contract with local government to fund indigent care: ?
- Federal and/or state funding: ?
- Value of Uncompensated Care: \$321.3 million (FY ended November 30, 2009)
- Subsidies from Cook County: \$217 million (based on budget plans for 2011)

Appendix I

Background Information
Cook County Health and Hospitals System (CCHHS), Chicago, IL

Payer Mix (FY 2009)

- Medicare: 9 %
- Medicaid: 32%
- Other: 7%
- Self-Pay: 52%

Revenues

- Medicare: \$56.6 million (9%)
- Medicaid: \$201.4 million (32%)
- Other: \$44 million (7%)
- Self Pay: \$327.3 million (52%)

Total Operating Revenues – \$629,542,075 (\$599.5 million from net patient revenue)

Non Operating Revenues (from tax sources) - \$452,968,729

- Sources of Non-Operating Revenue:

Property Taxes	\$138,561,251
Sales Taxes	\$285,027,113
Cigarette Taxes	\$29,380,365
- Percentage of revenues from City/County: 39 %

Note: Sales tax support scheduled to be rolled back to 1.25% on July 1, 2011

Background Information
Los Angeles County (LAC) Department of Health Services (DHS)

Legal Structure, Governance, and Mission

Ownership: Los Angeles County, CA

Governance: Government, Los Angeles County Board of Supervisors

Governance Change: None, but LA County has conducted or been the subject of a substantial number of studies of health system governance. For example, a 2004-2005 Los Angeles County Civil Grand Jury report provided in-depth analysis on creating a hospital authority to replace DHS.

DHS Executive Team:

- Mitchell H. Katz, M.D., Director
- John F. Schunhoff, Ph.D., Chief Deputy Director
- Vivian C. Branchick, RN, MS, Chief Nursing Officer & Director of Nursing Affairs
- Cheri Todoroff, MPH, Deputy Director, Planning & Program Oversight
- Nina Park, M.D, Interim Chief Medical Officer, Division of Ambulatory/Managed Care
- Kevin Lynch, MS, Chief Information Officer
- Gregory Polk, MPA, Administrative Deputy

Mission:

- Ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners. DHS has an annual budget of \$4 billion and about 20,000 employees.
- The Los Angeles County Department of Health Services (DHS) is the second largest public health system in the nation. DHS serves the healthcare needs of nearly 10 million residents. DHS provides acute and rehabilitative patient care, trains physicians and other health care clinicians, and conducts patient care-related research.
- DHS also operates the Los Angeles County's Emergency Medical Services Agency and is responsible for planning, monitoring, and evaluating the local EMS system. L.A. County's EMS agency is the largest multi-jurisdictional EMS system in the country with more than 18,000 certified EMS personnel employed by fire departments, law enforcement, ambulance companies, hospitals, and private organizations to provide lifesaving services 24/7.

Beds: In FY 2010-11, DHS has a total of 1,469 budgeted beds.

Employees: In FY 2010-11, DHS has 20,248 in budgeted positions in areas such as research, clinical care, human resources, information technology, finance, and more. As of February 2011, the number of Full-Time Equivalents (FTEs) in DHS is 17,423.

Sunshine and Sovereign Immunity: *Dr. Schunhoff to address*

Hospital or Health System: Health System

- Four hospitals: LAC+USC Healthcare Network, Harbor-UCLA Medical Center, VallyCare Olive View-UCLA Medical Center, and Rancho Los Amigos National Rehabilitation Center.
- Two multi-service ambulatory care centers - High Desert Health System and Martin Luther King, Jr.
- Six comprehensive health centers, multiple health centers throughout the Los Angeles County, many in partnership with private, community-based providers, and numerous health clinics.

Background Information
Los Angeles County (LAC) Department of Health Services (DHS)

Board, Selection, and Autonomy: *Dr. Schunhoff to address*

Financial Relationship with County/City:

- DHS is 100% owned/operated by the County of Los Angeles
- Over \$640 million was budgeted as General Fund operating subsidies for the Hospital Enterprise Funds in the adopted FY 2010-11 County budget.

Budget Approval: Los Angeles County Board of Supervisors

Assets: County owns facilities.

Teaching Hospital: Yes.

- University of Southern California School of Medicine
- UCLA School of Medicine
- Charles R. Drew University of Medicine and Science

Independence: *Dr. Schunhoff to address*

- Labor Contracts and Compensation: ?
- Contracting Authority for Goods and Services: ?

Medical Staff: *Dr. Schunhoff to address*

- Staffing: ?
- Physicians' compensation for indigent care: ?
- Physicians' compensation for teaching: ?

Unions: *Dr. Schunhoff to address*

Unfunded Care: DHS serves as the major provider of healthcare for the more than two million county residents without health insurance and provides the majority of all uncompensated medical care in the county.

Federal *	38.9%
State **	22.2%
County ***	38.9%
Total	100.0%

Payor Mix

Patient Mix	Hospitals - Inpatient	Hospitals - Outpatient	Multi-service Ambulatory Care Centers	Comprehensive & Community Health Centers
Medi-Cal	43.1%	23.9%	20.5%	10.9%
Uninsured	41.4%	49.0%	62.6%	73.7%
Medicare	8.2%	8.8%	6.0%	2.9%
Other Third Party	6.3%	10.5%	7.2%	3.9%
Other Payor	1.0%	7.8%	3.7%	8.6%
Total	100.0%	100.0%	100.0%	100.0%

Background Information
Los Angeles County (LAC) Department of Health Services (DHS)

Revenues

FY 2011 Budget:

- The adopted FY 2010-11 budget included \$640 million as an “Operating Subsidy – General Fund” for the Hospital Enterprise Funds.
- At the time the Los Angeles County Board of Supervisors adopted the Department of Health Services' (DHS) FY 2010-11 Final Budget on September 28, 2010, the budget included an unsolved deficit of \$253.3 million.
- Based on the latest DHS Fiscal Outlook update presented to the Board of Supervisors on March 29, 2011, the current FY 2010-11 estimated shortfall is now \$68.8 million.
- The majority of the funding solutions come from various elements of the new Waiver.
- DHS continues to work with the County Chief Executive Office to resolve the remaining deficit for FY 2010-11.

LA County Reports on Health System Governance

- LA County has conducted or been the subject of a substantial number of studies of health system governance. For example, a 2004-2005 Los Angeles County Civil Grand Jury report provided in-depth analysis of creating a hospital authority.
- The below list of reports was extracted from the DHS Office of Planning and Analysis webpage. It is available online by following the “DHS Governance Reports” link on the webpage, <http://www.ladhs.org/wps/portal/Planning>.

Office of Planning and Analysis - DHS Governance Reports

- [Los Angeles County Civil Grand Jury 2004-2005 Final Report: Health Authority Subcommittee findings pp. 43-165](#)
- [LAC Chief Administrative Office Health Authority Blue Print: Additional Information -- 6/28/05](#)
- [LAC Chief Administrative Office Health Authority Blue Print: Preliminary Report -- 4/18/05](#)
- [Hospital Association of Southern California: Health Care Authority Brief -- 6/6/03](#)
- [USC: Analysis of Alternate Governance for LAC Department of Health Services -- May 2003](#)
- [LAC Ad Hoc Hearing Body on Governance: Final Report -- 2/5/02](#)
- [LAC Chief Administrative Office: Action Plan for Conversion to Alternative Governance Models -- 2/1/02](#)
- [LAC Chief Administrative Office: Governance of the Department of Health Service -- 8/29/01](#)
- [LAC Health Crisis Manager: Governance of the Department of Health Services -- 12/12/95](#)

Other Public Health Governance Reports

- [Hennepin County Medical Center Governance Transition Committee Reports](#)
- [National Association of Public Hospital Safety Net Hospitals: Governance - Issue Brief -- Sept. 2003](#)
- [American College of Healthcare Executives: Governance Change for Public Hospitals--1999](#)

Grady Memorial Health System (GMHS), Atlanta, GA

Legal Structure, Governance, and Mission

Ownership: Fulton-DeKalb Hospital Authority

- The Fulton-DeKalb Hospital Authority (FDHA) was created to oversee the operations of Grady Health System.
- Consists of 10 members. The Fulton County Board of Commissioners appoints seven members and the DeKalb County Board of Commissioners appoints three members.¹
- Term: Staggered terms of four years

Governance: Private nonprofit corporation (Grady Memorial Hospital Corporation)

Operation: Grady Memorial Hospital Corporation Board of Directors

- In January 2008, a coalition of state and community leaders agreed to create the Grady Memorial Hospital Corporation, a nonprofit corporation charged with administering the hospital; members of a new seventeen-member board were announced in March 2008.
- In response to the board's fund-raising campaign to raise \$100 million for the hospital, the Robert W. Woodruff Foundation pledged \$200 million over four years, and the medical insurance company Kaiser Permanente pledged \$5 million.

Governance change:

- Originally owned by the two Georgia counties: Fulton and DeKalb.
- In January 2008, a coalition of state and community leaders agreed to create the Grady Memorial Hospital Corporation, a nonprofit corporation charged with administering the hospital, and in March members of a new seventeen-member board were announced.
- In response to the board's fund-raising campaign to raise \$100 million for the hospital, the Robert W. Woodruff Foundation pledged \$200 million over four years, and the medical insurance company Kaiser Permanente pledged \$5 million.
- Grady Memorial Hospital Corporation (GMHC) is a nonprofit corporation established to oversee the operations of Grady Health System under a 40 year lease.

Mission:

- Grady improves the health of the community by providing quality, comprehensive healthcare in a compassionate, culturally competent, ethical and fiscally responsible manner.
- Grady maintains its commitment to the underserved of Fulton and DeKalb counties, while also providing care for residents of metro Atlanta and Georgia. Grady leads through its clinical excellence, innovative research and progressive medical education and training.
- Excellence — Grady Health System strives for the highest quality in all that we do. The art and science of health require a commitment to lifelong learning and professionalism.
- Customer Service — Grady Health System is motivated by a sincere concern for the well-being of all people and we will strive to serve everyone with dignity, respect and compassion.
- Ethics — Grady Health System will maintain the highest ethical standards through its actions and decision.
- Teamwork — Grady Health System cultivates an environment of communication, respect, trust and collaboration.
- Commitment — Grady Health System is motivated by pride and dedication, determined to achieve goals of the organization and willing to give our best efforts at all times.

Beds: 953

Employees: 4,850 (excluding Physicians)

Physicians: 1,100 (including residents)

Neighborhood Health Centers: 8

¹ Source: Fulton-DeKalb Hospital Authority website, <http://www.gradyhealth.org/fdha.html>

Grady Memorial Health System (GMHS), Atlanta, GA

Sunshine and Sovereign Immunity

Sunshine: Yes Sovereign Immunity: No

Hospital or Health System: Healthcare system

- Grady Health System is one of the largest public health systems in the United States. Grady consists of the 953-bed Grady Memorial Hospital, eight neighborhood health centers, Crestview Health & Rehabilitation Center - and Children's Healthcare of Atlanta at Hughes Spalding, which is operated as a Children's affiliate.

Board Selection and Autonomy

- Consists of 17 members.
- Staggered terms of one to three years.
- Selection from a pool of candidates from nomination committee and serving Board Members.

Financial Relationship with County/City

GMHS is on 40-year leasehold interest from Fulton-DeKalb Hospital Authority.

- GMHS is a Private Nonprofit.
- Percentage of operating funds from County:
- FY 2009 FY 2010
- \$56.8. Million \$52.9 million
-

Budget Approval

- Independent of the County.

Assets:

- Owned by the county. Sales or subleasing requires approval from County.
- GMHS capital assets are on 40-year leasehold from Fulton County

Teaching Hospital: Yes

- Grady is an internationally recognized teaching hospital staffed exclusively by doctors from Emory University and Morehouse schools of medicine.

Independence:

- No labor unions.
- Contracting Authority for Goods and Services: GMHS Board of Directors

Medical Staff

- Physicians are staff of Emory University and Morehouse schools of medicine.
- Nurses are GMHS employees.
- Physicians' compensation for indigent care.(Handled by the Group Billings)
- GMHS has yearly contractual amount it pays to the medical schools that enables the physicians to provides services to GMHS Patients whether insure or not.
- Physicians' compensation for teaching is handled by the medical schools
- GMHS contracts with the medical schools that covers yearly pay(an agreed contractual amount)

Unions: No

Appendix I

Grady Memorial Health System (GMHS), Atlanta, GA

Unfunded Care

- How funded, percent funded, & limits:
- Contract with local government to fund indigent care: The two counties, Fulton and DeKalb, provide some funding; in 2010: Fulton \$68 million & DeKalb \$18 million.
- Federal- Disproportionate share hospital funds DSH Fund
- State funding: No.

Payor Mix

	<u>FY 2009</u>	<u>FY 2010</u>
- Medicare	16.6%	17.2%
- Medicaid	33.0%	32.4%
- Insurance	16.8%	?
- Uninsured	33.6%	34.4%

Revenues

	<u>FY 2009</u>	<u>FY 2010</u>
- Net Non Operating revenue	\$17.8 million	10.9 million
- Net Patient service Revenue-	\$270.2 million	\$293.6 million
- Total Operating Revenues -	\$387.6 million	\$420.5 million
- Indigent Care Trust Fund Rev.	\$54.2 million	\$60.1 million
- Grant & Other revenue-	\$63.2 million	\$68.8 million
- County Support	\$56.8 million	\$52.9 million

Expenses

	<u>FY 2009</u>	<u>FY 2010</u>
- Salary and Wages	\$297.4 million	?
- Contractual Payments	\$3.4 million	\$4.1 million
- Total Operating Expenses	\$473.8 million	\$478.4 million

Loss from Operations

	<u>FY 2009</u>
- Loss	\$11.5 million

Background Information
Harborview Medical Center (HMC), Seattle, WA

Legal Structure, Governance, and Mission

Ownership: King County, WA

Governance: Harborview Board of Trustees; HMC is a separate legal entity having its own corporate powers¹

Operation: University of Washington (contracted)

Mission:

- One of two academic medical centers in UW Medicine health-care system
- The only Level I adult and pediatric trauma and burn center serving Washington, Alaska, Montana and Idaho
- Offers highly specialized services, such as trauma and burn care, as well as neurosurgery, eye care, vascular, rehabilitation, sleep medicine and spine care
- Primary mission is to provide and teach exemplary patient care and demonstrate an unwavering commitment to those patients and programs for the priority population groups identified by King County (including: incarcerated persons, mentally ill, STDs, trauma, and others). It also is the Disaster Control Hospital for Seattle and King County.

Beds: 413

Employees: 4,432 (UW employees)

Clinics:

- Center of Neurosciences
- Center of Trauma
- Center of Burn care
- Center of Reconstruction and rehabilitation
- Orthopaedics
- Global health
- Sleep medicine
- Sports and spine care
- Vision and eye care
- Vascular surgery
- Center of Mental health, substance abuse and chronic medical disease
- Center of AIDS/sexually transmitted diseases

Sunshine and Sovereign Immunity

Sunshine: Yes Sovereign Immunity: Not for staff (which are UW)

Hospital or Health System: Hospital

- Part of UW Medicine health-care system, which also includes UW Medical Center, the UW School of Medicine, UW Neighborhood Clinics, Northwest Hospital & Medical Center and Airlift Northwest, an emergency air transport service that serves the region.

Board and Autonomy

- 13 Trustees appointed by elected County Executive and confirmed by Council
- 4-year terms (maximum of 3 terms)
- “Trustees determine major institutional policies and retain control of programs and fiscal matters...accountable to the public and King County for all financial aspects of HMC’s operations

¹ Note 1 to King County, Washington, Financial Statements, December 31, 2009

**Background Information
Harborview Medical Center (HMC), Seattle, WA**

and agree to maintain a fiscal policy that keeps the operating program and expenditures of HMC within the limits of operating income.”¹

- “County cannot impose its will on HMC.”¹

Financial Relationship with County/City

- HMC pays annual rent to King County for facilities
- 2009 CAFR shows HMC revenues to King County of \$6.1 million
- Per King County Prosecuting Attorney’s Office, HMC does have taxing authority but was not being exercised; King County does not pay for indigent care
- Percentage of operating funds from County: ?

Budget Approval

- Operating: Trustees. Capital: County approval for bonds

Assets: County owns facilities.

Teaching Hospital: Yes; one of two academic medical centers in UW Medicine health-care system. UW manages HMC under contract.

Independence:

- Labor Contracts and Compensation: Staff are UW employees.
- Contracting Authority for Goods and Services: HMC Board of Trustees
- See “Boards and Autonomy” section on previous page.

Medical Staff

- Staff: Are UW employees
- Physicians’ compensation for indigent care: ?
- Physicians’ compensation for teaching: ?

Unions

- Hospitals and Health Care Employee Union
- SEIU 1199 Northwest

Unfunded Care

- How funded, percent funded, & limits:
- Contract with local government to fund indigent care:
- Federal and/or state funding:

Payor Mix (\$ in millions)

Categories	Amounts	Percentage
Inpatient Revenue	\$1,015	70.8%
Outpatient Revenue	\$418	29.2%
Medicare	\$236	16.5%
Medicaid	\$209	14.6%
Charity Care	\$155	10.8%
Other	\$203	14.2%

Appendix I

**Background Information
Harborview Medical Center (HMC), Seattle, WA**

Total Patient Services Revenue	\$1,433	100%
--------------------------------	---------	------

Revenues

HMC fiscal year ending June 30, 2010

- Medicare – \$236 million
- Medicaid – \$209 million
- Charity Care – \$155 million
- Inpatient Revenue – \$1.015 million
- Outpatient Revenue – \$418 million
- Total Patient Services Revenue – \$1.432 million
- Total Operating Revenue – \$767 million

FY 2011 King County Budget

- HMC - Sexual Assault Survivor Services: \$127,627
- HMC - Building Repair & Remodel: \$10,221,299 (Capital)
- Jail Health Services: \$24,722,964 (GF; not listed as revenue to HMC)
- Jail Health Services (Mental Health & Drug Dependency): \$3,250,372

Background Information

Health Care District of Palm Beach County (HCDPB), West Palm Beach, FL

Legal Structure, Governance, and Mission

Ownership:	Health care district
Governance change:	The Palm Beach County Health Care District (HCDPB) was created by Chapter 87-450, Laws of Florida, as amended, and approved by voter referendum in 1988 as a county-wide health care district to provide comprehensive planning, funding, and coordination of health care delivery for indigent and medically needy residents of Palm Beach County. The referendum provided authority for ad valorem millage rate of up to 3 mils; in 2010, the millage rate was 1.1451.
Governance:	Health Care District Board of Commissioners
Operation:	Health care district
Mission:	Ensure access to a comprehensive health care system and the delivery of quality services for the residents of Palm Beach County. <ul style="list-style-type: none">– Saving lives in the “Golden Hour” through the integrated Trauma System– Covering the uninsured with programs such as Vita Health and Maternity Care– Keeping children healthy by staffing registered nurses in the public schools– Offering skilled nursing care at the Edward J. Healey Rehabilitation and Nursing Center– Providing acute care in underserved areas through Lakeside Medical Center on the southern shores of Lake Okeechobee
Beds:	70
Employees:	1,000 total
Clinics:	None directly operated by HCDPB

Sunshine and Sovereign Immunity

Sunshine: Yes Sovereign Immunity: Yes, but only at District owned facilities

Hospital or Health System: Health System

- Integrated Trauma System
 - Two Level II trauma centers (Tenet owned and operated, St. Mary's Medical Center & Delray Medical Center). These are paid to maintain staff and service levels required to maintain “trauma” designation, and then also reimbursed for “eligible” trauma patients.
 - Air ambulances
- Uninsured with programs, such as Vita Health and Maternity Care These operate like health plans, reimbursing hospitals and doctors for services rendered to “eligible” patients.
- Registered nurses in public schools
- Skilled nursing care at the Edward J. Healey Rehabilitation and Nursing Center
- Acute care in underserved areas through Lakeside Medical Center on the southern shores of Lake Okeechobee

Board and Autonomy: HCDPB Board of Commissioners (7)

- 3 members of the Board are appointed by the County’s Board of County Commissioners
- 3 members of the Board are appointed by the Governor of the State of Florida
- 1 member is the Director of the State’s Department of Health for Palm Beach County
- Maximum of two consecutive 4-year terms

Appendix I

Background Information

Health Care District of Palm Beach County (HCDPB), West Palm Beach, FL

Revenues

HCDPB fiscal year ending September 30, 2010 (per HCDPB 2010 CAFR)

	Governmental Funds	Proprietary (Enterprise) Funds	Total Revenues
Ad Valorem Taxes	\$155,579,316		
Intergovernmental	\$9,130,674		
Charges for services	\$3,438,200		
Capital Grant	\$915,000		
Investment and Other Income	\$7,794,477		
Total Governmental Revenues			\$176,857,667
Net Patient Service Revenues		\$55,701,061	
Other, Net		\$2,822,338	
Total Proprietary (Operating) Revenues			\$58,523,399
Total Governmental and Proprietary Revenues			\$235,381,066

Expenses

HCDPB fiscal year ending September 30, 2010 (per HCDPB 2010 CAFR)

- Total Governmental Expenses: \$150 million
- Total Proprietary (Operating) Expenses: \$82 million

Loss from Operations (per HCDPB 2010 CAFR, the operating loss is from the proprietary funds):

- \$24 million

Appendix I
Background Information
Tampa General Hospital (TGH), Tampa, FL

Legal Structure, Governance, and Mission

Ownership: Private non-profit (Florida Health Sciences Center, Inc., d.b.a. Tampa General)

Governance: TGH Board of Directors

Governance Change:

- From hospital authority to a new non-profit under terms of a lease (1997)
- *The Hillsborough County Hospital Authority is created and governed by Special Act of the legislature, Chapter 96-449, Laws of Florida, as amended. Until October 1, 1997, the Authority owned and operated Tampa General Hospital. On October 1, 1997, Florida Health Sciences Center, Inc., assumed responsibility for owning and operating Tampa General Hospital pursuant to a Lease Agreement entered into with the Authority. Since the Authority no longer operates the hospital, its mission has evolved into a monitoring role in connection with the Lease and a commitment to the provision of health services to indigent citizens of Hillsborough County.*¹

Operation: Private non-profit

Mission: *TGH is the area's only level I trauma center and one of just four burn centers in Florida. With five medical helicopters we are able to transport critically injured or ill patients from 23 surrounding counties to receive the advanced care they need. The hospital is home to one of the leading organ transplant centers in the country, having performed more than 6,000 adult solid organ transplants, including the state's first successful heart transplant in 1985. TGH is a state-certified comprehensive stroke center, and its 32-bed Neuroscience Intensive Care Unit is the largest on the west coast of Florida. Other outstanding centers include cardiovascular, orthopedics, high risk and normal obstetrics, urology, ENT, endocrinology, and the Children's Medical Center, which features a nine-bed pediatric intensive care unit and one of just three outpatient pediatric dialysis units in the state. As the region's leading safety net hospital, Tampa General is committed to providing area residents with excellent and compassionate health care ranging from the simplest to the most complex medical services.*²

Beds: 1,004 total beds (945 acute care and 59 rehabilitation care beds)

Employees: 6,700

Clinics: ?

Sunshine and Sovereign Immunity

Sunshine: Yes Sovereign Immunity: ?

Hospital or Health System: Hospital

Board and Autonomy: 15 member, volunteer Board of Directors

Financial Relationship with County/City: TGH receives patients funded by the Hillsborough County ½ cent sales tax. That tax was authorized by the Legislature at the same time Miami-Dade's was. However, at the county level it was implemented through extraordinary vote of the then County Commission, and used to create the HC Health Care Plan. TGH is one, but not the only hospital in the Plan's provider network.

¹ Extract from Hospital Authority Non-Binding Request for Information (RFI) For Funding Opportunities Related to Health Related Services for Indigent Residents, dated February 2, 2007

² Extract from TGH website, <http://www.tgh.org/index.htm>

Appendix I
Background Information
Tampa General Hospital (TGH), Tampa, FL

Budget Approval

- Operating: TGH Board of Directors
- Capital: ?

Teaching Hospital: Yes, academic. TGH is affiliated with the University of South Florida College Of Medicine and serves as the primary teaching hospital for the university.

Independence: *The Authority does not operate, manage or oversee the operations of TGH, and has had no claims since leasing the hospital facilities to FHSC.³*

Medical Staff

- Staffing: 1200 Community and university affiliated physicians
 285 Resident physicians
- Physicians' compensation for indigent care: ?
- Physicians' compensation for teaching: ?

Unions: Not unionized

Unfunded Care (2009 Annual Report)

- How funded, percent funded, & limits: Medicaid 14%, HCHCP 3%, Charity 7%
- Indigent care: \$917 million

CARE PROVIDED TO INDIGENT PATIENTS	2009	as a % of total	2008	as a % of total	2007	as a % of total
Charges Foregone						
Medicaid	\$545,186	14%	\$429,226	13%	\$348,077	12%
HCHCP	120,281	3%	101,789	3%	94,855	3%
Charity	251,159	7%	230,786	7%	187,672	7%
Total Indigent	\$916,626	24%	\$761,801	24%	\$630,604	22%
Hospital Gross Charges	\$3,789,550		\$3,201,371		\$2,832,205	

Payor Mix (2009 Annual Report)

- Managed care: 39.5%
- Medicare: 27.3%
- Medicaid & Hillsborough County Health Plan: 18.0%
- All other: 15.2%

Revenues (2009 Annual Report) – TGH fiscal year ending September 30, 2009

- Medicare \$545 million
- Medicaid and Hillsborough County Health Plan \$128 million
- Charity Care \$251 million
- Total Revenue \$993 million

³ Extract from Hospital Authority Request for Quotations For Not-For-Profit Individual and Organization Directors and Officers Liability Insurance Coverage for the Hillsborough County Hospital Authority

Background Information
Truman Medical Centers (TMC), Kansas City, MO

Legal Structure, Governance, and Mission

Ownership/Operation: Not-for-profit 501(c)(3)

Governance: Board of Directors

Governance change:

- Incorporated as Kansas City General Hospital and Medical Center in 1962, one of the first public hospitals to restructure as not-for-profit
- Renamed Truman Medical Center, Inc. in 1976

Mission: Provide accessible, state of the art healthcare to Jackson County regardless of one's ability to pay.

Beds: See attached "Truman Medical Centers Snapshot" (provided by TMC)

Employees: 4,310

Sunshine and Sovereign Immunity

- Sunshine: No
- Sovereign Immunity: No

Hospital or Health System: Health System

- Two adult acute care hospitals (TMC Hospital Hill and TMC Lakewood)
- TMC Behavioral Health
- Jackson County Health Department
- Primary care practices throughout Eastern Jackson County

Board and Autonomy

- Up to 34 members on the Board of Directors
- Nomination and selection process: Board Development Committee nominates for full Board approval
- TMC Board has autonomy from the City/County governments

Financial Relationship with County/City

- Approximately 8.5% of operating revenues come from the City of Kansas City and Jackson County
- Jackson County: FY 2009-10 adopted County budget included:
 - Indigent Health Care Subsidy: \$5,429,598
 - Inmate Health Care: (none listed)
 - Debt Service: \$6,847,000
- City of Kansas City: \$26,403,075 (FY 2009-10 adopted City budget)
Note: City of Kansas City has a "Health Levy" special revenue fund budgeted at \$53,580,838 that primarily consists of \$50 million from property taxes and \$3 million from service charges

Budget Approval

- Operating: TMC Board approves
- Capital: City/County sometimes, such as when TMC utilizes Jackson County bonds for capital needs

Assets: County owns land and some buildings; TMC owns equipment. TMC can buy/sell/encumber real property and facilities.

Appendix I

Background Information
Truman Medical Centers (TMC), Kansas City, MO

Bonds: Can issue bonds, but TMC reports it can be challenging in this economic environment.

Teaching Hospital: Yes; primary teaching hospital for the University of Missouri-Kansas City School of Medicine.

Independence: Human resources and procurement are independent of government

Medical Staff: 515; some physicians are employed by TMC, but the majority of physicians are affiliated with a multi-specialty group practice that provides medical care exclusively to TMC.

Unions: Yes. TMC Board has authority to determine salaries and compensation for employees, executives and physicians employed directly.

Contracting Authority: Yes

Unfunded Care: City, County, and Disproportionate Share Hospital funding

- Charity Care: \$87,623,480
- Bad Debt: \$13,376,520

Payor Mix

Payor Source	Acute Care Hospitals	Hospita Hill	Lakewo	Lakewood Care Center	Jackson County Health Department
Commercial	16%	14%	22%	<1%	5%
Medicaid	22%	26%	16%	71%	41%
Medicaid MC	14%	11%	20%	-	-
Medicare	16%	17%	12%	<1%	7%
Other	3%	3%		12%	
Self pay	29%	29%	30%	16%	10%
Government	-	-	-	-	33%
Managed Care	-	-	-	-	4%

Patient Diversity

Ethnicity	Acute Care Hospitals	Hospital Hi	Lakewood	Lakewood Care Center	Jackson County Health Department
African American	36%	32%	17%	16%	10%
Asian	1%	4%	1%	-	2%
Caucasian	51%	59%	73%	3%	82%
Hispanic	7%	3%	5%	6%	5%
Other	5%	2%	4%	-	-
American Indian	-	-	-	-	1%

Truman Medical Centers Snapshot

Preventive Care



Mammograms Administered	7,206
Hospital Hill	5,154
Lakewood	2,106
Immunizations Administered	39,849
to TMC Patients	14,351
to TMC Employees	4,758
by Jackson County Health Dept.	20,740

Health & Wellness



Employees	4,310
Hospital Hill	3,180
Lakewood	1,130
Employee Health Assessments	2,805
Percentage of Employees Assessed	64%
Employee Absenteeism Days	Calendar Year 2009 4,488
Family Medical Leave	4,488
Short Term Disability	4,412
Corporate Academy Course Admissions	
Employees enrolled	779
Classes enrolled	2,697



Better. For Everyone.

TruMed.org

Quality Outcomes



Patient Re-Admissions within 30 days	
Hospital Hill	8.69%
Lakewood	2.67%
Quality Improvement	
Reduction in Patient Falls	28%
Reduction in Patient Pressure Ulcers	32%
CPOE/Meaningful Use	93%*

*= based on preliminary data for both TMC hospitals
Computerized Physician Order Entry

Medical Home Chronic Patients	15,592
<small>Calendar Year 2009</small>	
Asthma	1601
Congestive Heart Failure	509
COPD (Chronic Obstructive Pulmonary Disease)	940
Diabetes	4,737
GERD (Esophageal Reflux)	911
Hypertension	6,330
Obesity	450
Sickle Cell	114

Truman Medical Centers Snapshot

Fiscal Year Ending June 30, 2010*

	Hospital Hill	Lakewood	Total
Licensed Beds			
Acute Care	277	103	380
Long Term Care	-	212	212
Admissions			
Acute Care ¹	16,612	4,562	21,174
Patient Days			
Acute Care ¹	73,512	20,305	93,817
Long Term Care	-	57,361	57,361
Average Daily Census			
Acute Care ¹	201	56	257
Long Term Care	-	157	157
Births	2,325	973	3,298
Outpatient Visits	210,853	95,802	306,655
Emergency Department Visits²	68,039	30,845	98,884
Surgical Cases³	7,720	2,257	9,977
Dental/Oral Surgery Visits⁴	8,297	17,957	26,254
Jackson County Health Department Encounters	-	-	187,831
Women/Infant/Children (WIC) Visits	64,344	115,622	179,966
Number of Unduplicated Patients	62,757	36,899	99,656
Commercially Insured Patients	10,647	9,097	19,744
Medical Staff	-	-	515
Graduate Medical Residents	144	50	194

1 Includes Neonatal Intensive Care Unit.

2 Hospital Hill includes Behavioral Health emergency visits. Does not include 675 defined trauma cases.

3 Includes Cesarean Sections.

4 Included in total outpatient visits.

5 Included in Hospital Hill Acute Care Admissions.

Behavioral Health	
Number of Patients	16,170
Admissions ⁵	2,758
Outpatient Visits	240,858

Uncompensated Care at Cost	
Bad Debt	\$12,296,406
Charity Care	\$95,993,105
Total	\$108,289,511

Fiscal Year 2010 Revenue	
Gross Revenue	\$594,002,000
Net Revenue	\$438,279,000

* All numbers are preliminary/unaudited.



Better. For Everyone.

TruMed.org

This page intentionally blank

Hospital Governance Options

Governance Models	Governance Description	Characteristics		Example of Hospitals	Location	Effective Date of Governance Model	Links to References	Type of Change	Notes	Other Variables		
										Teaching Hospital (Y/N)	Organized Labor union (Y/N)	
Direct Local Government Control/Operation	<ul style="list-style-type: none"> - Major decisions made by elected officials; - May designate operations to semi-autonomous board; - Have access to local gov't tax support; - No separate legal structure 	<ul style="list-style-type: none"> - Is current structure and has worked since the 1970's; - Should provide base of political support for advocacy initiatives; - Full faith and credit of county gov't to underpin bonding; - Sovereign immunity applies to those employed by JHS; - Sole beneficiary of ad valorem property taxes earmarked for indigent care; - Exempt from taxes 	<ul style="list-style-type: none"> - Levels of autonomy for PHT vary based on leadership both at Trust and on Commission; - dependent upon gov't purchasing and personnel policies and procedures; - Sunshine law provisions occasionally hamper internal communications; - county can delegate programs/services and over-ride PHT decisions 	John H Stroger Jr. Hospital Cook County	Chicago, IL					Y	Y	
				Los Angeles County Dept of Health Services	Los Angeles County, CA					Y	Y	
				Jackson Health System	Miami Dade County, FL					Y	Y	
Separate Government Entity With Taxing Capacity	<ul style="list-style-type: none"> - Distinct independent government entity; - Functionally dedicated board; - Statutory authority identifies election/appointment process; - Controls own budget, issues bonds; - Has autonomy in civil service, purchasing and contracting 	<ul style="list-style-type: none"> - Sets own millage rates; - Has both authority and responsibility for use of public funds; - Still has some political ties based on way legislation is written and board is elected/appointed; - Has sovereign immunity as unit of gov't; - Develops and adopts own policies and procedures and labor agreements; - Tax exempt 	<ul style="list-style-type: none"> - Subject to Sunshine law; funding levels vary based on economy and property values; - Board members have high public/political profile; - have to use own credit status to raise capital; - not eligible for philanthropy 	Memorial Health Care System (South Broward) & Broward Health (North Broward Hospital District)	Broward County, FL	1947 & 1951		Taxing District		Y	?	
				Parkland Health & Hospital System	Dallas, TX					Y	?	
				University of Colorado Hospital	Colorado	1991	6	Established new (Independent) hospital authority		Y	N	
				Denver Health Medical Center	Denver, CO	1996	2			Y	N	
Nonprofit/Third Party Management	<ul style="list-style-type: none"> - Tax exempt under Sect. 501(c)(3) of IRS; - Local gov't may maintain some role in governance (eg seat on, or appointment to, board) and/or funding (pay for specified services to specified patients); - Sale, transfer or long term lease of buildings/assets of gov't; - Third party controls operations including human resources, purchasing and contracts 	<ul style="list-style-type: none"> - Eligible recipient for philanthropy without using separate foundation; - Not required to have organized labor; - Can develop and implement own policies and procedures for nomination and selection of board of directors, purchasing and contracts; - Exempt from income, property and sales taxes on all "related" revenue 	<ul style="list-style-type: none"> - No longer only hospital designated eligible for County funding for indigent care; - Must create and maintain own credit rating; - No sovereign immunity; - Have to compete with other community based organizations for talented board leadership and local philanthropy; - "Non-related" revenue subject to taxation 	Boston Medical Center	Boston, MA	1996	1, 6	Consolidated with existing non-profit		Y	Y	
				Great Lakes Health System of Western New York	Buffalo, NY	2008	1			Unified Kaleida Health and the Eric County Medical Center into a new non-profit (unification continues)	Y	Y
				Fresno County Valley Medical Center	Fresno County, CA	1996	1				Y	N
				Oakwood Healthcare System	Dearborn, MI	1991	6				Y	Y
				Shands Jacksonville	Jacksonville, FL	1980	1				Y	Y
				Umass Memorial Health Care System	Massachusetts	1998	1				Y	Y
				Middle Tennessee Medical Center	Murfreesboro, TN	1996	5				N	N
				University of Arizona Healthcare	Tucson, AZ	2010	1				Y	?
				Grady Health System	Atlanta, GA	2008	1,3		Conversion to new non-profit		Y	N
				Truman Medical Centers	Kansas City, MO	1960s	1				Y	Y
				Regional Medical Center at Memphis	Memphis, TN	1981	1				Y	N
				Hillsborough County Hospital Authority / Tampa General Hospital	Tampa, FL	1997	1,4		Contract management by non-profit 3rd Party		Y	N
				Brackenridge Hospital and Children's Hospital	Austin, TX	1995	1,6				Y	?
				Harborview Medical Center	King County, WA						Y	Y
				Sutter Medical Center of Santa Rosa, California	Santa Rosa, CA	1996	6				Y	Y
				Wishard Memorial Hospital	Indianapolis, IN						?	?
Henry Ford Hospital	Michigan, MI	1987	7	Shared Governance	Non-profit hospital adopted "shared governance" model	Y	?					
Nebraska Medical Center	Omaha, NE		1			Y	Y					
For-Profit Management	Managed as a private organization			Amarillo Hospital District	Amarillo, TX							
				Detroit Medical Center/Vanguard Health Systems	Detroit, MI	2010		Acquired by Vanguard Health Systems	Y	Y		
				Caritas Christi/Steward Health Care System	Massachusetts	2010	1	Acquired by Steward Health Care System LLC	Y	Y		
				Memorial Medical Center	Las Cruces, NM				?	?		
Oklahoma University Medical Center	Oklahoma City, OK					?	?					

This page intentionally blank

South Florida Acute Care Hospitals (Federal, State and Local Funding Sources)

Financial Analysis ~ Hospitals in South Florida ~ FY2009																		
Source: AHCA Financial Data, FYE2009																		
Hospital	County	Beds	Total Expenses	Medicaid Revenue	Medicaid Deductions	Medicaid HMO Revenue	Medicaid HMO Deductions	Bad Debt	Other Charity	Medicaid Shortfall	PMATF	Total	Other Gov't. Funds	Net Uncompensated Care	Taxes & Licenses Expense	Inpatient Services Revenue	Outpatient Services Revenue	Total Patient Services Revenue
Broward Health-Broward General Medical Center	Broward	716	\$399,777,301	\$266,150,135	\$206,572,325	\$191,494,893	\$146,654,079	\$170,477,277	\$216,647,512	\$248,032,493	\$4,294,012	\$639,451,294	\$71,683,906	\$567,767,388	\$0	\$1,144,374,602	\$594,852,434	\$1,739,227,036
Broward Health-Coral Springs Medical Center	Broward	200	\$128,088,074	\$44,775,133	\$32,981,867	\$38,197,866	\$30,029,079	\$59,320,206	\$31,333,199	\$44,797,177	\$1,522,887	\$136,973,469	\$13,018,541	\$123,954,928	\$0	\$322,190,710	\$261,315,739	\$583,506,449
Broward Health-Imperial Point Medical Center	Broward	204	\$92,840,031	\$17,392,320	\$13,320,949	\$17,457,309	\$13,187,005	\$37,820,461	\$14,556,142	\$18,606,242	\$1,044,567	\$72,027,412	\$8,703,089	\$63,324,323	\$0	\$215,351,477	\$194,109,233	\$409,460,710
Broward Health-North Broward Medical Center	Broward	409	\$184,208,777	\$43,737,776	\$36,054,756	\$43,968,435	\$34,754,655	\$86,929,623	\$77,820,692	\$49,973,881	\$2,120,591	\$216,844,787	\$31,152,713	\$185,692,074	\$0	\$514,236,684	\$261,181,753	\$775,418,437
Cleveland Clinic Florida Weston	Broward	150	\$146,040,609	\$6,887,777	\$7,765,197	\$6,068,950	\$6,842,063	\$13,303,444	\$3,114,209	\$11,718,945	\$2,512,081	\$30,648,679	\$0	\$30,648,679	\$504,970	\$398,929,626	\$256,195,653	\$655,125,279
Holy Cross Hospital	Broward	571	\$292,912,751	\$44,131,585	\$40,685,046	\$23,927,801	\$21,559,508	\$32,782,676	\$12,162,135	\$49,080,894	\$3,239,915	\$97,265,620	\$0	\$97,265,620	\$151,981	\$912,015,323	\$602,416,229	\$1,514,431,552
Memorial Hospital Miramar	Broward	178	\$116,186,272	\$56,164,393	\$42,782,501	\$20,276,421	\$14,550,374	\$33,107,418	\$15,269,042	\$41,300,586	\$1,697,811	\$91,374,857	\$1,268,889	\$90,105,968	\$0	\$285,739,857	\$268,228,032	\$553,967,889
Memorial Hospital Pembroke	Broward	301	\$108,585,529	\$40,420,559	\$34,723,325	\$24,499,093	\$19,611,793	\$41,247,087	\$47,865,488	\$41,276,212	\$1,331,039	\$131,719,826	\$3,083,538	\$128,636,288	\$0	\$267,285,655	\$272,524,838	\$539,810,493
Memorial Hospital West	Broward	304	\$297,242,934	\$107,649,986	\$87,411,368	\$43,546,785	\$32,478,240	\$59,820,066	\$60,861,496	\$87,386,834	\$4,174,049	\$212,242,445	\$4,743,987	\$207,498,458	\$0	\$770,072,940	\$612,645,096	\$1,382,718,036
Memorial Regional Hospital	Broward	1014	\$697,303,144	\$356,605,670	\$276,077,600	\$151,474,864	\$107,844,957	\$162,862,602	\$256,541,519	\$251,900,344	\$8,128,944	\$679,433,409	\$46,673,341	\$632,760,068	\$0	\$1,658,347,286	\$1,025,187,148	\$2,683,534,434
North Shore Medical Center FMC Campus	Broward	459	\$53,990,779	\$27,175,727	\$23,175,552	\$15,917,542	\$14,405,563	\$5,073,566	\$8,802,290	\$30,880,416	\$726,932	\$45,483,204	\$0	\$45,483,204	\$296,066	\$263,276,125	\$83,947,207	\$347,223,332
Northwest Medical Center	Broward	215	\$128,484,935	\$51,622,041	\$47,990,764	\$27,106,725	\$25,057,053	\$22,322,186	\$18,386,647	\$59,960,590	\$1,690,354	\$102,359,777	\$0	\$102,359,777	\$890,158	\$548,652,866	\$224,273,306	\$772,926,172
Plantation General Hospital	Broward	264	\$119,453,613	\$168,822,515	\$137,175,717	\$91,947,684	\$86,235,030	\$34,135,272	\$14,524,632	\$174,489,126	\$1,561,499	\$224,710,529	\$0	\$224,710,529	\$518,740	\$467,676,544	\$169,055,069	\$636,731,613
University Hospital & Medical Center	Broward	317	\$91,658,269	\$18,636,754	\$16,615,370	\$21,063,368	\$18,546,623	\$19,790,486	\$10,324,581	\$28,284,151	\$1,048,139	\$59,447,357	\$0	\$59,447,357	\$809,261	\$357,261,255	\$171,806,530	\$529,067,785
Westside Regional Medical Center	Broward	224	\$145,309,379	\$28,494,868	\$25,951,670	\$21,348,629	\$18,539,828	\$24,025,883	\$12,016,752	\$36,078,062	\$2,145,256	\$74,265,953	\$0	\$74,265,953	\$668,972	\$663,319,410	\$197,533,151	\$860,852,561
Total Acute			\$3,002,082,397	\$1,278,667,239	\$1,029,284,007	\$738,296,365	\$590,295,850	\$803,018,253	\$800,226,336	\$1,173,765,954	\$37,238,076	\$2,814,248,619	\$180,328,004	\$2,633,920,615	\$3,840,148	\$8,788,730,360	\$5,195,271,418	\$13,984,001,778
Aventura Hospital and Medical Center	Miami-Dade	407	\$199,924,435	\$70,575,301	\$66,209,722	\$42,461,009	\$37,642,480	\$31,102,540	\$28,560,835	\$85,683,244	\$2,944,795	\$148,291,414	\$0	\$148,291,414	\$2,499,926	\$959,794,848	\$284,014,538	\$1,243,809,386
Baptist Hospital of Miami, Inc.	Miami-Dade	680	\$725,970,825	\$330,422,385	\$266,603,341	\$78,587,674	\$67,905,584	\$97,797,245	\$122,290,683	\$235,576,068	\$10,927,756	\$466,591,752	\$0	\$466,591,752	\$314,587	\$2,031,315,918	\$970,006,179	\$3,001,322,097
Bascom Palmer Eye Inst/Anne Bates Leach E	Miami-Dade	100	\$81,532,460	\$21,082,622	\$17,006,357	\$7,541,688	\$4,323,030	\$7,053,281	\$13,333,215	\$12,690,595	\$769,079	\$33,846,170	\$0	\$33,846,170	\$0	\$4,183,304	\$265,971,418	\$270,154,722
Coral Gables Hospital	Miami-Dade	247	\$71,537,971	\$31,695,974	\$27,564,658	\$17,063,934	\$15,369,984	\$5,366,050	\$6,396,735	\$34,532,883	\$973,613	\$47,269,281	\$0	\$47,269,281	\$1,316,960	\$292,125,061	\$123,048,114	\$415,173,175
Doctors Hospital	Miami-Dade	281	\$160,508,157	\$21,304,202	\$19,515,192	\$6,844,316	\$6,126,847	\$22,598,747	\$6,035,783	\$18,753,621	\$1,903,249	\$49,291,400	\$0	\$49,291,400	\$15,740	\$403,780,540	\$252,112,663	\$655,893,203
Hialeah Hospital	Miami-Dade	378	\$107,864,993	\$148,656,137	\$129,741,980	\$30,513,768	\$26,505,698	\$17,227,613	\$15,495,068	\$129,397,190	\$1,627,400	\$163,747,271	\$0	\$163,747,271	\$1,450,599	\$567,176,508	\$152,592,928	\$719,769,436
Homestead Hospital	Miami-Dade	142	\$188,573,857	\$110,648,137	\$91,937,469	\$70,137,151	\$52,267,018	\$78,745,135	\$74,763,187	\$97,776,128	\$2,084,598	\$253,369,048	\$0	\$253,369,048	\$37,942	\$449,510,079	\$284,769,144	\$734,279,223
Jackson Memorial Hospital	Miami-Dade	2139	\$1,625,681,833	\$943,808,545	\$529,203,251	\$262,543,000	\$126,020,640	\$583,901,326	\$1,073,847,090	\$188,325,532	\$15,065,601	\$1,861,139,549	\$350,277,832	\$1,510,861,717	\$0	\$3,038,363,518	\$1,162,002,054	\$4,200,365,572
Kendall Regional Medical Center	Miami-Dade	412	\$191,858,307	\$174,811,568	\$153,027,526	\$52,581,811	\$44,979,055	\$35,292,503	\$44,961,553	\$163,382,784	\$2,809,636	\$246,446,476	\$0	\$246,446,476	\$2,109,453	\$865,057,331	\$394,980,936	\$1,260,038,267
Larkin Community Hospital	Miami-Dade	132	\$46,816,961	\$16,636,446	\$14,106,718	\$5,751,057	\$3,593,144	\$6,020,243	\$561,497	\$11,825,678	\$655,962	\$19,063,380	\$0	\$19,063,380	\$531,621	\$142,788,747	\$35,638,549	\$178,427,296
Mercy Hospital	Miami-Dade	473	\$234,672,696	\$61,097,616	\$56,319,256	\$17,049,781	\$15,939,508	\$19,321,565	\$12,445,322	\$54,955,284	\$2,965,239	\$89,687,410	\$0	\$89,687,410	\$33,574	\$705,571,281	\$354,276,800	\$1,059,848,081
Metropolitan Hospital of Miami	Miami-Dade	146	\$46,288,089	\$25,043,369	\$20,159,081	\$0	\$0	\$16,768,725	\$99,625	\$14,124,713	\$600,620	\$31,593,683	\$0	\$31,593,683	\$547,466	\$138,085,635	\$54,015,624	\$192,101,259
Miami Children's Hospital	Miami-Dade	289	\$340,523,656	\$426,684,995	\$320,968,472	\$197,475,385	\$150,474,804	\$9,618,075	\$7,232,337	\$262,755,861	\$4,539,407	\$284,145,680	\$0	\$284,145,680	\$4,539,407	\$635,655,178	\$382,812,439	\$1,018,467,617
Mount Sinai Medical Center	Miami-Dade	955	\$397,617,953	\$111,730,059	\$91,269,602	\$38,198,600	\$29,588,019	\$47,560,082	\$34,611,498	\$86,454,270	\$4,490,018	\$173,115,868	\$0	\$173,115,868	\$60,973	\$1,086,947,815	\$645,857,994	\$1,732,805,809
North Shore Medical Center	Miami-Dade	816	\$204,812,283	\$166,451,296	\$135,360,669	\$97,729,018	\$80,824,519	\$17,470,126	\$44,363,445	\$170,087,485	\$2,828,734	\$234,749,790	\$0	\$234,749,790	\$2,734,627	\$809,135,978	\$364,618,250	\$1,173,754,228
Palm Springs General Hospital	Miami-Dade	247	\$61,119,424	\$11,756,420	\$9,716,561	\$0	\$0	\$18,104,151	\$0	\$6,289,578	\$949,988	\$25,343,717	\$0	\$25,343,717	\$515,252	\$148,187,851	\$61,485,086	\$209,672,937
Palmetto General Hospital	Miami-Dade	360	\$215,790,253	\$213,747,432	\$185,600,500	\$74,053,078	\$63,001,735	\$17,091,947	\$30,883,066	\$201,383,086	\$3,176,351	\$252,534,450	\$0	\$252,534,450	\$2,413,474	\$951,384,171	\$363,856,505	\$1,315,240,676
South Miami Hospital	Miami-Dade	467	\$393,692,061	\$156,205,546	\$124,886,036	\$20,270,389	\$18,229,070	\$44,290,002	\$42,831,569	\$96,768,937	\$5,891,230	\$189,781,738	\$0	\$189,781,738	\$241,525	\$890,373,409	\$608,718,669	\$1,499,092,078
University of Miami Hospital	Miami-Dade	560	\$265,977,251	\$95,266,975	\$83,604,967	\$48,931,889	\$40,388,829	\$24,082,731	\$16,151,329	\$92,036,405	\$2,566,301	\$134,836,766	\$0	\$134,836,766	\$44,572	\$994,225,875	\$205,922,716	\$1,200,148,591
University of Miami Hospital/Clinics	Miami-Dade	40	\$238,592,419	\$38,690,052	\$32,820,901	\$14,278,675	\$11,923,510	\$7,991,767	\$1,098,159	\$29,483,875	\$2,188,091	\$40,761,892	\$0	\$40,761,892	\$0	\$90,763,420	\$737,381,602	\$828,145,022
Westchester General Hospital	Miami-Dade	197	\$59,787,906	\$17,005,536	\$13,754,777	\$13,362,545	\$6,884,087	\$2,591,247	\$6,305,408	\$9,433,359	\$861,219	\$19,191,233	\$0	\$19,191,233	\$738,855	\$138,473,844	\$23,557,582	\$162,031,426
Total Acute			\$5,859,143,790	\$3,193,320,613	\$2,389,377,036	\$1,095,374,768	\$801,987,561	\$1,109,995,101	\$1,582,267,404	\$2,001,716,578	\$70,818,887	\$4,764,797,970	\$350,277,832	\$4,414,520,138	\$20,146,553	\$15,342,900,311	\$7,727,639,790	\$23,070,540,101
Bethesda Healthcare System	Palm Beach	401	\$223,349,147	\$189,069,432	\$158,031,194	\$44,430,241	\$34,561,136	\$49,297,011	\$46,948,922	\$150,738,408	\$0	\$246,984,341	\$0	\$246,984,341	\$2,673,217	\$772,120,498	\$473,926,480	\$1,246,046,978
Boca Raton Community Hospital	Palm Beach	400	\$332,151,151	\$15,621,633	\$17,684,584	\$4,418,709	\$3,752,109	\$25,689,849	\$4,518,806	\$16,719,600	\$3,376,742	\$50,304,997	\$0	\$50,304,997	\$196,098	\$614,106,542	\$797,021,504	\$1,411,128,046
Columbia Hospital	Palm Beach	250	\$87,791,014	\$35,310,722	\$31,172,164	\$24,194,631	\$20,829,371	\$25,892,580	\$24,738,917	\$40,804,539	\$1,061,704	\$92,497,740	\$0	\$92,497,740	\$1,023,415	\$313,365,492	\$153,191,349	\$466,556,841
Delray Medical Center, Inc.	Palm Beach	493	\$224,363,202	\$63,122,815	\$58,723,239	\$17,522,293	\$15,993,859	\$16,630										

South Florida Acute Care Hospitals (Federal, State and Local Funding Sources)

Financial Analysis ~ Hospitals in South Flori											
Source: AHCA Financial Data, FYE2009											
Hospital	County	Other Operating Revenue	Non- operating Revenue	Total Revenue	Income Tax	Licensed Beds	Acute Pt. Days	Salary Expense	FTEs	Pt. Care Salary Expense	Pt. Care FTEs
Broward Health-Broward General Medical Cen	Broward	\$35,129,834	\$82,681,476	\$1,857,038,346	\$0	716	160,234	\$163,810,417	2,930.1	\$120,687,726	1,991.5
Broward Health-Coral Springs Medical Center	Broward	\$2,772,866	\$14,058,365	\$600,337,680	\$0	200	48,991	\$55,417,571	937.6	\$42,044,714	654.6
Broward Health-Imperial Point Medical Center	Broward	\$3,099,171	\$9,663,347	\$422,223,228	\$0	204	38,149	\$38,661,347	674.0	\$28,115,236	458.6
Broward Health-North Broward Medical Center	Broward	\$10,167,171	\$39,185,720	\$824,771,328	\$0	409	78,499	\$77,158,160	1,317.0	\$54,194,978	861.7
Cleveland Clinic Florida Weston	Broward	\$532,868	\$270,638	\$655,928,785	\$0	150	45,853	\$52,105,962	922.3	\$38,430,895	671.1
Holy Cross Hospital	Broward	\$3,626,743	\$89,478,763	\$1,607,537,058	\$0	571	92,964	\$155,868,784	2,223.5	\$68,873,263	1,095.5
Memorial Hospital Miramar	Broward	\$723,994	\$1,932,563	\$556,624,446	\$0	178	35,893	\$54,987,837	847.1	\$38,636,318	569.0
Memorial Hospital Pembroke	Broward	\$1,394,184	\$3,903,388	\$545,108,065	\$0	301	29,525	\$50,900,482	798.9	\$36,234,105	546.4
Memorial Hospital West	Broward	\$3,065,705	\$7,737,960	\$1,393,521,701	\$0	304	94,289	\$140,388,956	2,170.2	\$98,151,103	1,460.2
Memorial Regional Hospital	Broward	\$24,687,022	\$69,541,459	\$2,777,762,915	\$0	1,014	213,940	\$340,650,430	5,060.3	\$222,419,154	3,319.0
North Shore Medical Center FMC Campus	Broward	\$129,352	\$1,920,042	\$349,272,726	\$0	459	25,031	\$19,099,928	322.3	\$14,866,207	245.4
Northwest Medical Center	Broward	\$1,196,226	\$1,577,107	\$775,699,505	\$1,333,969	215	48,789	\$41,333,009	674.2	\$30,760,906	469.7
Plantation General Hospital	Broward	\$1,568,584	\$227,745	\$638,527,942	\$0	264	51,200	\$38,438,149	584.3	\$28,590,993	430.9
University Hospital & Medical Center	Broward	\$454,115	\$19,401,617	\$548,923,517	\$0	317	43,666	\$31,501,825	558.5	\$20,800,344	345.2
Westside Regional Medical Center	Broward	\$1,190,422	\$24,074,719	\$886,117,702	-\$13,018,176	224	57,172	\$44,963,226	722.5	\$32,725,085	494.4
Total Acute		\$89,738,257	\$365,654,909	\$14,439,394,944	-\$11,684,207	5,526	1,064,195	\$1,305,286,083	20,742.8	\$875,531,027	13,613.2
Aventura Hospital and Medical Center	Miami-Dade	\$572,061	\$3,606,105	\$1,247,987,552	\$0	407	97,244	\$65,589,168	1,098.6	\$52,852,959	836.8
Baptist Hospital of Miami, Inc.	Miami-Dade	\$7,920,397	\$2,193,042	\$3,011,435,536	\$0	680	183,544	\$240,339,300	4,047.0	\$186,827,638	2,971.8
Bascom Palmer Eye Inst/Anne Bates Leach E	Miami-Dade	\$3,012,491	\$3,135	\$273,170,348	\$0	100	656	\$32,855,719	568.0	\$18,320,806	287.3
Coral Gables Hospital	Miami-Dade	\$339,499	\$93,775	\$415,606,449	\$0	247	27,576	\$24,673,766	430.3	\$18,706,077	315.2
Doctors Hospital	Miami-Dade	\$841,299	-\$239,708	\$656,494,794	\$0	281	38,920	\$54,692,402	928.1	\$40,561,305	654.7
Hialeah Hospital	Miami-Dade	\$960,087	\$3,960,664	\$724,690,187	-\$3,466,000	378	55,850	\$40,908,342	703.7	\$32,466,782	540.9
Homestead Hospital	Miami-Dade	\$1,308,122	\$123,125	\$735,710,470	\$0	142	47,090	\$64,054,360	1,069.3	\$52,120,639	825.9
Jackson Memorial Hospital	Miami-Dade	\$27,150,516	\$581,119,005	\$4,808,635,093	\$0	2,139	477,435	\$750,205,650	11,025.8	\$465,388,097	6,313.9
Kendall Regional Medical Center	Miami-Dade	\$2,623,219	\$501,779	\$1,263,163,265	\$0	412	72,317	\$62,770,753	1,089.4	\$46,774,443	768.5
Larkin Community Hospital	Miami-Dade	\$861,192	\$111,734	\$179,400,222	\$0	132	29,537	\$22,306,645	490.9	\$14,225,079	321.7
Mercy Hospital	Miami-Dade	\$6,578,249	\$49,406,258	\$1,115,832,588	\$0	473	74,631	\$87,834,283	1,515.5	\$57,215,416	925.1
Metropolitan Hospital of Miami	Miami-Dade	\$608,755	\$13,176	\$192,723,190	\$0	146	23,299	\$21,439,607	490.9	\$15,462,153	321.4
Miami Children's Hospital	Miami-Dade	\$23,840,647	\$56,449,244	\$1,098,757,508	\$0	289	64,819	\$176,759,733	2,538.6	\$78,664,892	1,199.7
Mount Sinai Medical Center	Miami-Dade	\$21,542,315	\$1,443,551	\$1,755,791,675	\$0	955	138,092	\$140,114,965	2,824.7	\$87,624,307	1,711.0
North Shore Medical Center	Miami-Dade	\$2,371,398	\$4,495,457	\$1,180,621,083	-\$1,521,000	816	98,081	\$80,589,963	1,365.6	\$62,623,401	1,019.2
Palm Springs General Hospital	Miami-Dade	\$568,054	\$3,495,821	\$213,736,812	\$0	247	36,956	\$26,513,423	613.5	\$17,628,615	402.2
Palmetto General Hospital	Miami-Dade	\$4,346,062	\$1,213,287	\$1,320,800,025	-\$4,909,000	360	95,546	\$78,141,155	1,339.3	\$61,979,670	1,008.7
South Miami Hospital	Miami-Dade	\$3,754,622	\$967,048	\$1,503,813,748	\$0	467	80,838	\$131,614,970	2,235.8	\$102,716,580	1,626.5
University of Miami Hospital	Miami-Dade	\$5,721,015	\$6,312,171	\$1,212,181,777	\$0	560	112,918	\$80,277,930	1,452.5	\$58,111,088	937.9
University of Miami Hospital/Clinics	Miami-Dade	\$2,652,824	\$1,000	\$830,798,846	\$0	40	7,988	\$56,941,360	960.6	\$34,060,566	580.2
Westchester General Hospital	Miami-Dade	\$1,074,900	\$22,638	\$163,128,964	\$0	197	53,003	\$28,839,899	663.3	\$17,380,878	383.0
Total Acute		\$118,647,724	\$715,292,307	\$23,904,480,132	-\$9,896,000	9,468	1,816,340	\$2,267,463,393	37,451.4	\$1,521,711,391	23,951.6
Bethesda Healthcare System	Palm Beach	\$2,220,479	\$12,219,698	\$1,260,487,155	\$0	401	96,887	\$88,155,335	1,764.0	\$68,927,208	1,285.1
Boca Raton Community Hospital	Palm Beach	\$306,026	\$16,508,340	\$1,427,942,412	\$0	400	85,657	\$110,224,545	2,004.1	\$75,328,186	1,271.3
Columbia Hospital	Palm Beach	\$1,604,199	\$2,936,267	\$471,097,307	\$5,515,498	250	42,332	\$27,889,473	483.1	\$17,388,536	292.6
Delray Medical Center, Inc.	Palm Beach	\$1,163,077	\$6,969,915	\$1,422,207,043	-\$8,353,000	493	96,122	\$79,306,213	1,342.2	\$62,991,566	1,054.3
Good Samaritan Medical Center	Palm Beach	\$803,640	\$4,955,339	\$491,625,802	\$463,000	333	37,280	\$37,752,440	679.5	\$25,662,250	426.1
JFK Medical Center	Palm Beach	\$8,823,154	\$2,686,609	\$2,175,429,272	-\$1,800,405	460	117,000	\$102,622,964	1,632.9	\$79,570,212	1,222.9
Jupiter Medical Center	Palm Beach	\$2,745,697	\$21,112,352	\$760,638,866	\$0	163	47,206	\$83,320,076	1,241.5	\$48,487,367	673.7
Lakeside Medical Center (Glades General Hos	Palm Beach	\$589,867	\$8,778,578	\$120,891,961	\$0	73	9,795	\$16,459,246	264.5	\$8,960,481	150.3
Palm Beach Gardens Medical Ctr.	Palm Beach	\$346,700	\$1,898,395	\$754,901,001	-\$685,000	199	50,498	\$44,061,927	718.7	\$33,544,133	543.0
Palms West Hospital	Palm Beach	\$2,048,769	\$10,576,038	\$735,187,560	-\$4,060,596	175	47,329	\$42,112,340	691.6	\$31,592,392	493.0
St. Mary's Medical Center	Palm Beach	\$5,209,594	\$7,102,488	\$1,029,504,982	\$13,551,000	463	102,921	\$92,619,357	1,445.5	\$73,854,821	1,070.6
Wellington Regional Medical Center	Palm Beach	\$2,490,309	\$1,995,567	\$551,435,106	\$628,000	143	42,246	\$39,199,894	703.8	\$29,048,602	491.9
West Boca Medical Center, Inc.	Palm Beach	\$1,240,003	\$168,802	\$461,657,706	-\$3,217,000	195	43,151	\$43,830,038	692.9	\$34,434,702	538.7
Total Acute		\$29,591,514	\$97,908,388	\$11,663,006,173	\$2,041,497	3,748	818,424	\$807,553,848	13,664.3	\$589,790,456	9,513.5

Appendix L

Dissenting View of a Taskforce Member

Hospital Governance Task Force Dissenting Opinion

The Hospital Governance Task Force (HGT) was a unique and valuable opportunity for a diverse group of community leaders to explore, discuss, and learn more about the governance and related issues impacting Jackson Health System. The group included subject matter experts on hospital governance structures and also solicited the input on several major public healthcare systems on the strengths and weaknesses of their models. Although brief (less than 20 hours total), the task force was able to learn much on the topic and Mr. Zapata should be commended for his leadership.

Given the short duration of the task force and the lack of any legal, financial, operational, strategic or other due diligence or modeling of alternative governance models as they would impact Jackson Health System, it would be inappropriate for the task force to author any specific recommendations to the County Commissioners at this point. The governance discussion is inherently complex and therefore any change in the governance structure is a relatively long process to evaluate and implement. It is clearly not to be considered a solution for the immediate financial issues impacting Jackson. As Mr. Larry Gage, a national known hospital governance expert, reported to the task force “effective governance is a tool, not a panacea.” Therefore, Jackson needs to remain focused on the very real operational and other issues currently impacting its ability to achieve sustainability in the short term.

Jackson is currently going through a major leadership transition with the hiring of a new Chief Executive Officer. In addition, the County recently approved the formation of a financial recovery board to oversee Jackson which is in the process of being populated. The financial recovery board is not a governance change, per se, as it is contemplated in ordinance 25A, but it does serve the purpose of reducing the size of the board and populating the board with subject matter experts in relevant areas of focus. These changes have great potential and should be allowed to crystallize and mature prior to introducing a further complexity of a new governance structure. This will provide Jackson the best opportunity to achieve immediate sustainability which needs to be the paramount focus. There can be no distractions from this vital objective although continued study of the optimal governance structure for Jackson is advisable.

The *National Association of Public Hospitals and Health Systems* reported that “before considering a major reorganization, it is essential to evaluate the challenges and obstacles that face a given hospital or health system – and to determine which of these challenges can be improved through improved structure or governance.” The following are some operational issues that need to be addressed regardless of the governance structure:

- Develop and implement a contemporary overall strategic plan.
- Secure cash resources to avoid permanent and irreversible consequences to core service levels and mission due to current cash crisis.
- Develop and implement a primary care and outpatient services strategy.
- Reduce length of stay to clinical optimal levels.

Appendix L

- Provide budgeting and other financial reporting with integrity and credibility.
- Maximize the leverage of the Jackson Health Plan.
- Shift the labor cost curve through universal adoption of evidence based medicine guidelines; treating each patient in the most cost effective, clinically appropriate setting; improving patient throughput and other measures.
- Optimize the relationship with the University of Miami.
- Position Jackson for success in an ACO and/or capitated environment.
- Enhance information technology solutions to achieve meaningful use standards.
- Position Jackson to participate successfully in the HHS Patient Safety Initiative Funding Program.

These are several of the mission critical objectives for Jackson to immediately pursue within the revised executive leadership team and newly enacted financial recovery board.

There are certain attributes of any governance model that the task force believes are important for Jackson Health System. Miami-Dade County will always be a vital component of the governance structure of Jackson, even if a new model is ultimately selected, as it has the inherent responsibility to provide healthcare services to the underserved population of the County. Any newly created entity would undoubtedly seek financial support from the County, via the taxpayers, to support the valuable mission of Jackson. Therefore, the governance conversations need to remain open, transparent and in the sunshine to continue to preserve these interests.

The impact of a governance change on all sources of reimbursement, on the outstanding bond obligations, on the pension program, on sovereign immunity, and on other major components of the public healthcare model needs to be fully vetted to avoid any unintended consequences. It is irresponsible to provide specific recommendations on a governance model change, i.e. not-for-profit, without a full understanding of how a change in governance may impact these factors. The taskforce has not studied these issues with any level of specificity and is not in a position to make such recommendations.

As noted, any fundamental change in governance structure is a long term consideration as the financial recovery board should be allowed to address the immediate issues impacting Jackson. Continued exploration, including moving towards appropriate due diligence, should continue to be pursued to identify the optimal governance model for Jackson in the future.

Conclusions

- Jackson Health System is an important community resource and its mission is in jeopardy under the status quo.
- Greater accountability is required for the fulfillment of the mission within a sound financial framework, given budgetary restraints, reduced federal and state funding and competitive pressures.

Appendix L

- The evaluation of optimal governance models should continue in an effort to identify the most efficient and effective structure to allow Jackson Health System to fulfill its mission for decades to come. Any recommendations should be data driven and fully vetted to ensure that this very important assignment is handled with the highest degree of professionalism and responsibility.
- Legal and financial experts need to be engaged to perform the necessary due diligence. Any new structure should maintain Sovereign Immunity which goes hand in hand with the Sunshine Laws. The revenue streams should be enhanced, not decreased with any new structure. The eligibility for ad valorem and ½ cent sales tax should be fully studied to ensure continued availability to fund the mission of Jackson in any recommended model.
- The taskforce never considered or evaluated the risk to federal funding such as Intergovernmental Transfers (IGT) and Certified Public Expenditures (CPE) that a new structure such as not-for profit could possibly jeopardize. These federal monies are a real possibility and are being strategically pursued at JHS. A public structure is necessary to qualify as a recipient for these funds currently.
- The current effort has been very valuable but not sufficient to formulate any concrete solutions or recommendations.
- Task force membership should be re-evaluated to remove any task force members with a conflict of interest. Several members are direct competitors of Jackson and others have competing interests.
- A structure change to a private entity would most likely mandate a cessation in the Public Retirement System (FRS and PHT retirement) and the cost of doing so needs to be evaluated. The taskforce never explored or even recognized this risk which has the potential of significantly increasing the contribution from the employer.
- The Miami-Dade County Commission is an integral component of the governance of Jackson Health System and will continue to be so under any governance model. The tax payers of Miami Dade provide significant funding to Jackson and their elected officials are very relevant to its governance process.
- The immediate focus should be on developing a strategy for Jackson Health System to make it a more competitive alternative in the market place to serve everyone's healthcare needs in Miami-Dade County. The new executive team and the new financial recovery board should be given an opportunity to succeed with great assistance from the County.
- All current efforts regarding Jackson Health System should be directed towards averting a reduction in scope of services provided to County residents and to avoiding any deterioration to the great mission of Jackson. The operational issues denoted in this report should be the primary focus.

Submitted by:
Martha Baker, RN, President
SEIU Healthcare Florida, Local 1991

Memorandum



Date: MAY 03 2010

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

A handwritten signature in black ink, appearing to read "G. Burgess", written over the printed name of George M. Burgess.

Subject: Salary and Other Remuneration for County Commissioners

At the April 13, 2010, meeting of the Government Operations Committee (GOC), the Committee requested additional information regarding salary and other remuneration for county commissioners. The following information was prepared to assist the Board of County Commissioners (Board) as it deliberates the ballot question to be posed to voters.

As the Board is aware, in January 2008, the Miami-Dade County Charter Review Task Force recommended that a Commissioner's salary be set in accordance with the population-based State of Florida formula. The Task Force also recommended that Commissioners serve a maximum of two, four-year terms and that outside employment be prohibited.

In preparing the data for Board consideration, a statewide comparative analysis of County Commissioner's salaries, compensation, term limits and outside employment privileges was conducted. Of the 67 counties in the State of Florida, 20 are governed by a Home Rule Charter (charter counties). A total of 11 counties, all of which are charter counties, have a population greater than 500,000 residents. All remaining 47 counties that do not have a Home Rule Charter must adhere to the State of Florida formula for setting the salaries for elected officials. The state formula is reviewed annually.

The survey of the 20 charter counties (Attachment 1) lists the counties in order of base salaries and includes population, the method of computing salary amounts, fringe benefits, term limits if any, and whether commissioners are allowed outside employment.

Base Salaries

The survey shows that salaries range from \$92,097 per year in Hillsborough County (population 1.2 million) to \$6,000 per year in Miami-Dade County (population 2.5 million). A total of 12 counties follow the State of Florida salary formula with no modification and pay their commissioners 100% of the amount specified in the formula. Four counties, Duval, Hillsborough, Polk and Volusia, utilize the state formula as a base adjusted by a percentage. The remaining four counties, including Miami-Dade, Brevard, Orange and Clay Counties are strictly guided by their charters with no direct relationship to the state salary formula. None of these four counties currently pay commissioners more than \$75,000 per year.

If Miami-Dade County used the state formula as calculated for 2010 (Attachment 2) total base salaries would be \$92,097. Currently, at a salary of \$6,000 per year, the County ranks 20th of the 20 charter counties surveyed, Attachment 1. When total estimated compensation is considered, Miami-Dade County ranks 15th of the 20 counties surveyed with a total compensation of \$69,692 per year.

Brevard County commissioners currently earn a salary of \$58,308 per year which is subject to review every two years. Salaries may be changed by ordinance and cannot exceed the average percent increase granted to county employees for the previous fiscal year or the percent change of the Consumer Price Index (CPI) from the previous year, whichever is less.

In Clay County, commissioners' salary was changed as a result of a 2008 charter amendment. At the recommendation of a Citizens Action Group, a charter amendment was passed to reduce commissioners' salary from \$64,558 (based on the state formula) to \$36,899. The election results are being appealed and, therefore, the new salary has only been applied to those commissioners elected subsequent to the amendment.

Orange County commissioners' annual salary is set by ordinance and was last changed in October 2008 to \$74,544. Increases cannot exceed the percent increase granted to Board of County Commission employees or the percent change of the CPI from the previous year, whichever is less.

During the April 13, 2010 GOC meeting, reference was made to the salary earned by City of Miami commissioners. Consequently, in an effort to provide additional information, the City of Miami was surveyed on the same factors used in the charter counties survey. The results show that City of Miami commissioners earn \$58,200 annually (60% of the Mayor's salary as determined by its commission) have no outside employment restrictions, do not accrue leave, and may serve for up to two consecutive four-year terms.

During the April GOC discussions the question arose regarding wage provisions in the event commissioners were to become full-time County employees. The Fair Labor Standards Act (FLSA) sets minimum wage levels, establishes requirements for overtime pay and recordkeeping, and requires equal pay for equal work. As elected officials, county commissioners are excluded from coverage under the FLSA; therefore, there would be no impact on commissioners' compensation calculation, eligibility for overtime or compensatory time. The Board is aware that these provisions are similar to those applied the exempt classifications who are not eligible for overtime pay or compensatory time.

Retirement Benefits and Leave Accrual

Florida Statute 145 permits payment of premiums or charges for group insurance for county officers. The statute also allows payment of all or any portion of the costs of life, health, accident, hospitalization, or annuity insurance for county officers as authorized in F.S. 112.08.

The charter county survey shows that the amount contributed to the Florida Retirement System (FRS) for elected officials varies by county. Counties contribute one of the following percentages of compensation into FRS for commissioners: elected officials class (16.53% of compensation), senior management (13.12%) or regular retirement (9.85%). Miami-Dade County contributes at the elected officials class or just under \$1,000 per year per commissioner. Should salaries increase, FRS contributions would increase accordingly based on the contribution rates adopted.

Regarding leave accruals, it is customary to treat elected officials as salaried personnel, and therefore incumbents are not required to account for their time on an hour-for-hour basis. Enforcing hour-for-hour timekeeping would not be reflective of the capacity in which elected

officials serve the community. However, in deliberating the issue of annual leave accruals, the Board should be aware of the following personnel policies as they apply to Miami-Dade County employees. Employees accrue annual leave as follows:

Miami-Dade County Employee Annual Leave Accrual Rates	
Years of Service	Number of days Earned per Year
0-5	10
6-9	1 additional day per additional year of service
10-15	15
16-19	1 additional day per additional year of service
20 or more years	20

Annual leave accrual cannot exceed 500 hours nor can leave payout exceed 500 hours when an employee separates from the County.

Regarding sick leave, Miami-Dade County executives accrue sick leave at the rate of 12 days per year with no cap. However, sick leave payout upon separation from County service varies with longevity commencing with 10 years of service. After 10 years of service, an employee who separates from the County will receive 25% of banked sick time. The sick leave payout rate increases incrementally up to 100% after 25 years of service.

Of the twenty counties surveyed, only elected commissioners in Palm Beach County accrue annual and sick leave time. Commissioners earn annual leave in accordance with the County's non-union employee leave schedules: after one year, 13 days; 2-5 years, 15 days; and 6-9 years, one additional day per additional year of service. Currently, annual leave accrual and annual terminal leave payout cannot exceed 400 hours. Palm Beach County employees also accrue sick leave at the rate of 13 days per year with no cap.

Outside Employment

During the GOC discussions, it was suggested that County Commissioners be treated as employees with the ability to engage in outside employment. Nineteen of the twenty charter counties allow commissioners to engage in outside employment as long as such employment does not violate conflict of interest provisions. Duval County restricts its Council members from outside employment if such employment is with a public employer; however, there is no restriction on private sector employment.

Attachments

- c: Honorable Carlos Alvarez, Mayor
- Robert A. Cuevas Jr., County Attorney
- Howard Piper, Special Assistant to the County Manager
- Jennifer Glazer-Moon, Special Assistant to the County Manager, Director, OSBM
- Angela Maher, Director, Human Resources Department
- Charles Anderson, Commission Auditor

Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners
Salary and Other Remuneration for County Commissioners
Page 4

Attachment 1 Survey of Compensation for County Commissioners in Florida Charter Counties									
County	Population	Salary Method	Salary	Leave Accrual Allowed?	Benefits Package	Estimated Annual Compensation (Salary and Benefits)	Term Limits Imposed	Restricts Outside Employment?	Comments
1 Hillsborough	1,200,541	Follows F.S. formula with modifications per Charter	\$92,097 \$101,307 for the Chair	No	Car allowance = \$2,796 Cafeteria Benefits Plan: \$10,809 - \$11,638 FRS @ 16.53% = \$15,224 - \$16,746 Value = \$28,829 - \$31,180 *The County pays the entire cost of a short and long term disability insurance policy that may provide income replacement of 75%STD and 66 2/3% LTD	\$120,926; \$132,487	2, 4 year terms	No	Follows 75% - 100% of F.S. formula. Currently using 100% of F.S. At-large districts serve 2 consecutive terms; non-at-large districts serve one 2-year term every 10 years
2 Broward	1,758,494	Follows F.S. formula per Charter	\$92,097	No	Health Insurance: \$5,438 - \$13,921* Life Insurance: \$64.80 Car allowance: \$2,400 FRS @ 16.53% = \$15,224 Value = \$23,126 - \$31,609 *Rates depend on coverage selected	\$115,223 - \$123,706	3, 4 year terms	No	
3 Palm Beach	1,294,654	Follows F.S. formula per Charter	\$92,097	Yes: Accrue sick (no cap) & annual (400 hr. cap)	Health Insurance Life Insurance Accident Insurance Above benefits received = up to \$9,100 Car Allowance: \$6,600 Cell Phone Allowance: varies FRS retirement @ 13.12% = \$12,083 457b: self-funded Value = \$27,783	\$119,880	2, 4 year terms	No	

Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners
Salary and Other Remuneration for County Commissioners
Page 5

Attachment 1 Survey of Compensation for County Commissioners in Florida Charter Counties									
County	Population	Salary Method	Salary	Leave Accrual Allowed?	Benefits Package	Estimated Annual Compensation (Salary and Benefits)	Term Limits Imposed	Restricts Outside Employment?	Comments
4	Pinellas	938,461	Follows F.S. formula per Charter provisions	\$90,837	No	Health Insurance: \$8,916 Dental Insurance: \$370 Life Insurance: \$229 FRS @ 16.53% = \$15,015 Value = \$24,530	\$115,367	No	
5	Lee	623,725	Follows F.S. formula per Charter provisions	\$84,396	No	Health Insurance Dental Insurance Car Allowance Above benefits received = \$14,324 FRS @ 16.53% = \$13,951 Value = \$28,275	\$112,671	No	
6	Seminole	426,413	Follows F.S. formula per Charter provisions	\$80,358	No	Health Insurance: \$5,800 - \$12,452* Life Insurance: \$236 Long-Term Disability: \$173 FRS @ 9.85% = \$5,107 - \$13,280 Value = \$17,316 - \$26,141 *Rates depend on coverage selected	\$91,674 - \$108,499	No	
7	Sarasota	393,608	Follows F.S. formula per Charter provisions	\$79,425	No	Health Insurance: \$6,100 Dental Insurance: \$448 Auto Mileage: up to \$4,691 FRS @ 16.53% = \$13,129 Value = \$24,368	\$103,793	2, 4 year terms	Compensation may not exceed F.S. formula, but may be a lesser amount.
8	Orange	1,114,979	Charter	\$74,544	No	Health Insurance: \$4,513 - \$11,914* FRS @ 16.53% = \$12,322 Value = \$16,835 - \$24,236 *Rates depend on coverage selected	\$91,379 - \$98,780	2, 4 year terms	Salaries shall be increased by the lesser % increase: CPI for previous FY (2.3%) or % increase granted BCC employees (3%)

Honorable Chairman Dennis C. Moss
 and Members, Board of County Commissioners
 Salary and Other Remuneration for County Commissioners
 Page 6

Attachment 1 Survey of Compensation for County Commissioners in Florida Charter Counties									
County	Population	Salary Method	Salary	Leave Accrual Allowed?	Benefits Package	Estimated Annual Compensation (Salary and Benefits)	Term Limits Imposed	Restricts Outside Employment?	Comments
9 Leon	274,892	Follows F.S. formula per Charter provisions	\$72,136	No	Health Insurance: \$5,269 - \$13,962* Life Insurance: \$410 Car Allowance: \$4,260 Cell Phone Allowance: \$1200 FRS @ 16.53 % = \$11,924 Value = \$23,063 - \$31,756 *Rates depend on coverage selected	\$95,199 - \$103,892	No	No	
10 Osceola	273,709	Follows F.S. formula per Charter provisions	\$72,063	No	Health Insurance Dental Insurance Life Insurance Mileage Reimbursement Above benefits received = \$13,153 FRS @ 16.53 = \$11,912 Value = \$25,065	\$97,128	No	No	
11 Alachua	252,388	Follows F.S. formula per Charter provisions	\$70,754	No	Health Insurance: \$3,708 - \$9,696* Dental Insurance: \$126 - \$204* FRS @ 16.53% = \$11,695 Value = \$15,529 - \$21,595 *Rates depend on coverage selected	\$86,283 - \$92,349	No	No	Committee is meeting to consider amending the ordinance that follows the F.S. formula (lower compensation)
12 Charlotte	165,781	Follows F.S. formula per Charter	\$61,235	No	Health Insurance: \$6,659.52 - \$15,179* Life Insurance and AD&D: \$135 FRS @ 16.53% = \$10,122 Value = \$16,917 - \$25,436 *Rates depend on coverage selected	\$78,152 - \$86,671	No	No	

Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners
Salary and Other Remuneration for County Commissioners
Page 7

Attachment 1 Survey of Compensation for County Commissioners in Florida Charter Counties									
County	Population	Salary Method	Salary	Leave Accrual Allowed?	Benefits Package	Estimated Annual Compensation (Salary and Benefits)	Term Limits Imposed	Restricts Outside Employment?	Comments
13 Brevard	556,213	Charter	\$58,308	No	Health Insurance Dental Insurance Life Insurance Above benefits received = \$9,403 FRS @ 16.53% = \$9,638 Value = \$19,041	\$77,349	2, 4 year terms	No	Same salary since 1997; subject to review every 2 yrs. by ordinance per the following provision: Salary shall not exceed average % increase granted county employees for previous FY or % of change of CPI from previous year, whichever is less.
14 Duval	904,971	Follows F.S. formula with modifications per Charter	\$45,076 \$59,951 for the Council Pres.	No	Health Insurance: up to \$4,580 Life Insurance: up to \$12,000 Cell phone and data plan: up to \$1,560 FRS @ 16.53% = \$7,451.06 and \$9,909.90; Value = \$25,591 and \$28,050	\$70,667; \$88,001	2, 4 year terms	No for private sector; Yes for public offices	Follows F.S. formula at 50% for Council; and 50% + 1/3 of Council salary for Council President.
15 Volusia	510,750	Follows F.S. formula with modifications per Charter	\$41,402 \$49,250 for the Chair	No	Health Insurance: \$8,040 Life Insurance Cell Phone Allowance: approx. \$1,200 Mileage Reimbursement 401(a) retirement FRS @ 16.53% = \$6,844 - \$8,141 Value = \$16,084 - \$17,381	\$57,486; \$66,631	2, 4 year terms	No	Follows 50% of F.S. formula for Commissioners, and 60% for Chair.
16 Polk	585,733	Follows F.S. formula with modifications per Charter	\$41,216	No	Health Insurance Dental Insurance Life Insurance Short & Long Term Disability All Commissioners have declined participation for the above benefits FRS @ 16.53% = \$6,813 Value = \$6,813	\$48,029	2, 4 year terms	No	Follows 50% of F.S. formula.

Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners
Salary and Other Remuneration for County Commissioners
Page 8

Attachment 1 Survey of Compensation for County Commissioners in Florida Charter Counties									
County	Population	Salary Method	Salary	Leave Accrual Allowed?	Benefits Package	Estimated Annual Compensation (Salary and Benefits)	Term Limits Imposed	Restricts Outside Employment?	Comments
17 Columbia	66,121	Follows F.S. formula per Charter	\$40,798	No	Health Insurance Life Insurance Short-term disability Above benefits received = \$5,274 FRS @ 16.53% = \$6,744 Value = \$12,018	\$52,816	No	No	
18 Clay	185,168	Charter	\$64,558 for two officials elected prior to 11/08 \$36,899 for those after 11/08	No	Health Insurance: \$4,222 - \$7,416 Opt-Out: \$900 - \$2,400 Dental: \$145 Life: \$45.60 Accidental Travel: Up to \$2,400/yr. Chair up to \$3,000/yr. FRS @ 16.53% = \$6,099 - \$10,671 Value = \$13,812 - \$23,678	\$50,711 - \$88,236	No	No	Salary changed pursuant to November 2008 Charter amendment. Election results are under appeal.
19 Wakulla	30,717	Follows F.S. formula per Charter provisions	\$30,919	No	Health Insurance: \$2,520 Fuel Allowance: \$150 Cell Phone Allowance: \$1,200 Books, Subscriptions, Memberships: \$300 Contracted Services: \$91 FRS @ 16.53% = \$5,111 Value = \$9,372	\$40,291	No	No	
20 Miami-Dade	2,477,289	Charter	\$6,000	No	Health Insurance: up to \$7,600 Life insurance rate varies Exec. Allowance: \$10,000 Expense allowance: \$24,000 Car allowance: \$9,600 Optional Life Insurance Annual physical (optional) 401(a) retirement: \$11,500 FRS @ 16.53% = \$992 Value = \$63,692	\$69,692	No	No	

Attachment 2

State of Florida
Population Based Calculation of County Commissioner Salaries

(Excerpted from the schedule of salaries prepared by the Florida Legislative Committee on Intergovernmental Relations)

The Florida Legislature determined that a uniform salary law was needed to replace the local law method of paying elected county officers in entities without charters that would not be construed as arbitrary and discriminatory. In 1973, the Florida Legislature sanctioned the compensation formula. Current law requires that salaries be adjusted each fiscal year and the Florida Attorney General has opined that salary increases are effective October 1st each year.

The current salary computation methodology stipulates that the latest official population estimates for each county serve as the main component of the salary computation using the following formula

$$\text{Salary} = [\text{Base Salary} + (\text{Population above Group Minimum} \times \text{Group Rate})] \times \text{Initial Factor} \times \text{Certified Annual Factor} \times \text{Certified Cumulative Annual Factor}$$

Where:

1. *Salary Base Salary* = total annual compensation excluding other benefits paid as personal income.

For Miami-Dade County, this is \$92,097 for 2010

2. *Base Salary* = \$22, 500. See table below.

Table of Rates by Population				
Population Group	County Population Range		Base Salary	Group Rate
	Minimum	Maximum		
I	-0-	9,999	\$4,500	\$0.150
II	10,000	49,999	6,000	0.075
III	50,000	99,999	9,000	0.060
IV	100,000	199,999	12,000	0.045
V	200,000	399,999	16,500	0.015
VI	400,000	999,999	19,500	0.005
VII	1,000,000			
		0	22,500	0.000

3. *Population* = the latest annual determination of population of local governments produced by the Governor's Office in accordance with s.186.901, Florida Statutes.

Miami-Dade County's population is 2,477,289

4. *Group Rate* = 0.000 See table above

5. *Initial Factor* = 1.292. This is constant or an earlier cost-of-living increase factor authorized by Chapter 73-173 and multiplied by an annual increase factor authorized in Chapter 79-327.

The DMS calculates that Miami-Dade County's initial factor = 1.292

6. *Certified Annual Factor* = 1 plus either:

- a. The average percentage increase in the salaries of state career service employees for the current fiscal year as determined by the Florida Department of Management Services (DMS) or as provided in the General Appropriations Act; or
- b. Seven (7) percent, whichever is less.

The DMS calculates Miami-Dade County's certified annual factor = 1.0000

7. *Cumulative Annual Factor* = the product of all annual factors certified under this act prior to the fiscal year for which salaries are being calculated. The DMS states that this factor is 3.1681

Miami-Dade County's Certified Cumulative Annual Factor = 3.1681

SUMMARY OF COMPENSATION AND BENEFITS FOR MIAMI-DADE COUNTY COMMISSIONERS

DESCRIPTION	COMPENSATION/BENEFIT	AUTHORITY
Annual Salary	\$6,000	Home Rule Charter
Annual Executive Group 1 Allowance	\$10,000	Miami-Dade County Executive Benefits Program
Basic Life Insurance	\$100,000	Resolution 771-05
Annual Car Allowance	\$9,600	Rate Established in FY 2005-06 Budget
Annual Expense Allowance	\$24,000	Rate Established in FY 2000-01 Budget
Annual 401(a) Retirement Contribution	\$11,500	Rate Established in FY 2001-02 Budget
Annual Physical Exam	Comprehensive Executive Physical	Miami-Dade County Executive Benefits Program
Elected Officials Retirement Health Insurance Program	County paid Retiree Health Insurance Coverage (single coverage only) if the commissioner has served at least five years. The County will continue to pay its contribution for a maximum of 15 years, or to age 65, whichever is earlier.	Program Established in 1992 and amended by Resolution 1405-04
Elected Officials Retirement Health Insurance Program	Elected officials who have served 16 years or more are entitled to receive County provided coverage under a program offered to supplement Medicare	Program Established in October 1992 and amended by Resolution 1589-94
Optional Benefits at Commissioner's Expense		
Optional Life Insurance	\$100,000	Per Metropolitan Life Insurance Contract
Retiree Life Insurance	Basic life coverage of \$100,000 at retirement if at least one four year term has been completed.	Resolution 771-05
Executive Long Term Disability Insurance	\$7,000 Per month	Per Metropolitan Life Disability Contract
401(a) Pick-up Plan	3%, 6%, or 10% of gross salary	Miami-Dade County Executive Benefits Program – ICMA-RC Plan Amendment 2001

Roll and Population Info

Year	Tax Roll	Population		
2005	175,222,910,000	2,376,014	\$	73,746.58
2010	192,268,348,000	2,507,180	\$	76,687.09
2015*	198,819,937,000	2,724,623	\$	72,971.54

* estimate provided by MD Planning Division of RER - see link

<http://www.miamidade.gov/planzone/Library/research/PopProj2006-2030.pdf>

Other Business

Pantin, Les (Office of the Mayor)

From: webmaster@miamidade.gov
Sent: Saturday, May 19, 2012 2:53 PM
To: Charter - Miami-Dade
Subject: Charter Review Suggestions

Contact Person: **Deborah Lamb**

E-mail: **lambscapes@aol.com**

Contact Phone Number: **305-251-8675**

Home Address: **13441 SW 100 CT**

City: **Miami**

State: **FL**

Zip Code: **33176**

Suggestions: Charter Review Task Force 1. This task force is still not representative of the population of Dade County. 2. The Task Force appointees need to have their resumes and whether they are a resident of an incorporated city or a resident of unincorporated Miami-Dade County listed on the site. 3. Contact info should be published for this group so that residents can submit their suggestions to the group without attending meetings. These suggestions should be read into the record and the record needs to be made part of the permanent record of these proceedings, as well as any public comments made at the meetings. It is important for future committees and the public to see how final decisions that are made took public opinion into account or ignored it. This was not done in the last Task Force or the Watershed Study etc. Issues Petitions 1. The petition process needs to be changed to allow more than one signature per page. Petitions are checked for accuracy at the Elections Department. The only reason one signature per page, with notarization, was enacted was to discourage the public petition process. Incorporation process 1. No County-wide vote should be needed for all of Dade County to incorporate. This would be a violation of Federal civil rights and voting rights and would most likely cause expensive lawsuits. 2. Presently, 25% signatures of registered voters is required before an area is allowed to start an incorporation process. This was put into place because small groups of people were gaming the system and bringing the issue up for a vote without the general population of the area even knowing a process was instituted. This lack of information caused areas to become incorporated with extremely low voter turnout and without a working knowledge of what incorporating meant financially. (ie. Miami Gardens) The signature requirement helps stem this injustice but other methods need to be employed as well. 3. All incorporations should only be allowed once every ten years, after the Census and after redistricting has been done. This will stop the repeated attempts by small groups of people revisiting an issue that has just been settled. (ie. The Falls - ad nauseum) It will also give an area plenty of time to study the issue, get the financials correct, and make sure the general populace is well informed. It is patently unfair for a small group of people to tie up the majority of area residents' lives with issues that they have already defeated. And, from a Commission level, it will be easier to manage if there is a set window of time that the Commission will know will be devoted to this issue. 4. The biggest problem facing incorporations is the fact that the people who will be incorporated are not adequately informed. Before incorporation is instituted, a survey should be mailed from the Division of Elections to the affected residents asking if they would like to even visit this process. If there is no interest, it should be dropped and not be revisited for 10 years. This is least disruptive on people's lives and will get the feel of an area. If a majority of residents are interested, then the process should go forward. 5. The Community Newspapers are used as an arm for the incorporating agenda. When opposing views were attempted, they were told that their submissions would be "edited." This is especially annoying, since these papers are partially funded by our tax dollars. Some sort of restraint needs to be placed on this practice. Either the County needs to send out an information packet to each resident, or the papers might be required to publish a couple of special editions that address the issue in an even-handed way with equal space provided, unedited, for both pro and con. 6. There should be no minimum to require that the process go forward. Presently, an area of less than 250 can be annexed without the consent of the residents. One person, one vote. 7. No more "cherry picking" of areas should be allowed. Racial and economic segregation does not serve our community of Miami-Dade County well. 8.

All incorporation votes should be scheduled during a regular County-wide election to insure the largest informed voter turnout. 9. In the event that ALL of Miami-Dade County becomes incorporated as a city/or cities the County Commission should, at the same time, be dissolved. There is no reason to have a redundant layer of government. All County -wide business can be handled by a board of Mayors from the individual cities. The 13 positions should alternated between the smaller cities. Each position representing approximately 230,000 voters. The larger cities will have their Mayors serving continuously. The remaining positions should be allotted to groups of the smaller cities that will represent an equal number of residents and can be assigned on a rotating basis so that each city will have all their Mayor serve eventually. It is important that ALL residents are represented equally on any Commission. A vote from a Mayor of a city of only 24,000 should not carry the same weight of a city of 100,000. Or, the current Commission Districts can be kept and one representative from each area can be provided from the Mayors within each district on a rotating basis. 10. If the County does fully incorporate, there is no need to tie the pay to the State standard of \$96,000+. The Mayors can attend to the lesser workload at the County level for an additional \$10,000 a year. Of course, the County levels of employees will need a drastic reduction, but the employees can be hired by the new individual cities, many times, at higher salaries.

Incorporated Cities

1. All cities that are or will become should be completely autonomous. Anything provided at the County level should be financially accounted and paid for. Presently, there is no way to determine the dollar value of the mutual aid or special police services provided. There is no reason why the healthcare policies canâ?Tt be provided as a group rate separately, if the incorporated cities band together and go on the open market on their own. Both sides of this issue need to have a better accounting of the money spent. Deborah S. Lamb 13441 SW 100 CT Miami,Florida 33176

Pantin, Les (Office of the Mayor)

From: webmaster@miamidade.gov
Sent: Monday, May 21, 2012 5:17 PM
To: Charter - Miami-Dade
Subject: Charter Review Suggestions

Contact Person: **Deborah Lamb**

E-mail: lambscapes@aol.com

Contact Phone Number: **305-251-8675**

Home Address: **13441 SW 100 CT**

City: **Miami**

State: **FL**

Zip Code: **33176**

Suggestions: **At what point, when this County incorporates all areas into individual cities, do we lose our protections of a Home Rule Charter?**

Pantin, Les (Office of the Mayor)

From: webmaster@miamidade.gov
Sent: Monday, May 21, 2012 5:59 PM
To: Charter - Miami-Dade
Subject: Charter Review Suggestions

Contact Person: **Al Lopez**

E-mail: slinv1@bellsouth.net

Contact Phone Number:

Home Address: **13741 sw 105 avenue**

City: **miami**

State: **fl**

Zip Code: **33176**

Suggestions: I have lived in the Falls area since 1991. I and my neighbors are very pleased with the way the county has responded to our community's needs. We don't see a valid reason as to why the Falls needs to incorporate. All I can see happening if incorporation goes through is extra layers of government to run an area that has no need for more politicians and duplication of what we already have. It's always a small group of self righteous individuals who seem to think that by incorporating their property values will go up. Please don't let this happen. Keep the Falls area and East Kendall as it is, unincorporated.

Pantin, Les (Office of the Mayor)

From: webmaster@miamidade.gov
Sent: Monday, May 21, 2012 6:08 PM
To: Charter - Miami-Dade
Subject: Charter Review Suggestions

Contact Person: **evan sharp**

E-mail: evan.sharp@baysideusa.com

Contact Phone Number: **3056329394**

Home Address: **11925 sw 89 avenue**

City: **miami**

State: **fl**

Zip Code: **33176**

Suggestions: I wish to go on record as totally apposed to being incorporated and wish to stay in Miami-Dade. We voted down thsi proposal two/three years ago and I am sure that my fellow residents still feel the same Evan Sharp

Pantin, Les (Office of the Mayor)

From: webmaster@miamidade.gov
Sent: Monday, May 21, 2012 6:10 PM
To: Charter - Miami-Dade
Subject: Charter Review Suggestions

Contact Person: **Linda Kasyan**

E-mail: lkasyan@bellsouth.net

Contact Phone Number: **3052388926**

Home Address: **8675 sw 125 terr**

City: **miami**

State: **fl**

Zip Code: **33156**

Suggestions: **Before your upcoming Charter Review Task Force I want to point out that I am one of many that LIKE living in unincorporated Dade County. I do NOT want to be incorporated. I have witnessed the craziness that happened in my neighboring community of Pinecrest. I do not want to be identified as a geographical area called the Falls... Historically the area was called Howard. I do not want any more bureaucracy,**

Pantin, Les (Office of the Mayor)

From: webmaster@miamidade.gov
Sent: Monday, May 21, 2012 6:16 PM
To: Charter - Miami-Dade
Subject: Charter Review Suggestions

Contact Person: **Mark Dorr**

E-mail: Mdorr@dbmsi.com

Contact Phone Number: **786.382.5774**

Home Address: **14504 SW 98 Ct**

City: **Miami**

State: **FL**

Zip Code: **33176**

Suggestions: I would like to state for the record that I am anti-incorporation and live in the Falls area. It seems we have to keep fighting this same battle. I am happy with the services Miami-Dade provides and the price. I don't believe in adding additional layers of government where none existed before. If incorporation does occur, we should drastically cut county government. I know I am only one person, but I believe there are many more like me.

Pantin, Les (Office of the Mayor)

From: webmaster@miamidade.gov
Sent: Monday, May 21, 2012 8:18 PM
To: Charter - Miami-Dade
Subject: Charter Review Suggestions

Contact Person: **Sheila Barish**

E-mail: sspirit425@hotmail.com

Contact Phone Number: **305-251-3100**

Home Address: **9020 SW 140 St**

City: **Miami**

State: **FL**

Zip Code: **33176**

Suggestions: I am **HIGHLY AGAINST** incorporation of my area. I am a member of the "STOP THE FALLS" Group, and have been an activist against this endeavor in years past. Please add my name to any petition that will **PREVENT** this incorporation from happening. Sincerely, Sheila M Barish

Pantin, Les (Office of the Mayor)

From: webmaster@miamidade.gov
Sent: Monday, May 21, 2012 8:32 PM
To: Charter - Miami-Dade
Subject: Charter Review Suggestions

Contact Person: **Christine Sundie**

E-mail: cmsundie@aol.com

Contact Phone Number: **305 235-3220**

Home Address: **88895 S. W. 116 Street**

City: **Miami**

State: **FL**

Zip Code: **33176-4337**

Suggestions: **Re incorporation: My neighbors and I are happy with things the way they are. We don't want to be incorporated. It has been voted down more than once, so why doesn't someone read that as a reason to leave us alone?**

Pantin, Les (Office of the Mayor)

From: webmaster@miamidade.gov
Sent: Monday, May 21, 2012 9:50 PM
To: Charter - Miami-Dade
Subject: Charter Review Suggestions

Contact Person: **John Cooper**

E-mail: jcooper@thehackettgroup.com

Contact Phone Number: **305-322-4443**

Home Address: **10800 SW 123 Street**

City: **Miami**

State: **FL**

Zip Code: **33176**

Suggestions: Incorporation efforts in Miami-Dade County should be carefully planned and managed. I was part of a grass roots effort that beat back efforts to incorporate the Falls area. I see no reason to further the incorporation effort in our area. The area is pretty much built out, and having to pay more money to support more government and pay more for the same police protection does not sound like a good idea to me. I have watched the Pinecrest and Cutler Bay areas ratchet up taxes and build sumptuous city halls. They have nice street signs, but have all kinds of other problems managing budgets. They did fine while the area was red hot and property taxes were rising rapidly. Since then they have struggled. Miami-Dade government is still inefficient and a lackluster operation. Despite all the crying and handwringing, there are still too many employees overall and certainly too many highly paid employees. My fear is that adding yet another layer will not have much of an effect on overall staffing at the county and everyone will be raising taxes to take care of their people. Please focus on running the government wisely and not on satisfying the unmet needs of another set of wannabee politicians. We have more than enough at the county and school board levels.

Pantin, Les (Office of the Mayor)

From: webmaster@miamidade.gov
Sent: Monday, May 21, 2012 11:25 PM
To: Charter - Miami-Dade
Subject: Charter Review Suggestions

Contact Person: **Carol Warner**

E-mail: scifience31@gmail.com

Contact Phone Number:

Home Address: **8801 SW 116 Street**

City: **Miami**

State: **FI**

Zip Code: **33176**

Suggestions: I have spoken to many people in my area, and we would all like to stay unincorporated. We do not need another layer of bureaucracy and more regulations. Please stop bringing this up because of a few very vocal people who hope to PROFIT from a change.

Pantin, Les (Office of the Mayor)

From: webmaster@miamidade.gov
Sent: Tuesday, May 22, 2012 8:31 AM
To: Charter - Miami-Dade
Subject: Charter Review Suggestions

Contact Person: **ELIZABETH CRANE**

E-mail: DEMOSSAIR@AOL.COM

Contact Phone Number: **(305) 238-2264**

Home Address: **13604 SW 109 COURT**

City: **MIAMI**

State: **FL**

Zip Code: **33176**

Suggestions: I have lived in unincorporated Miami for over 30 years and do not want to have to live in any city. I am very happy with an address of Miami. I know it is not a big issue but I could no longer live in Miami if you made it a city because there is already a City of Miami, I also feel that County residents do not need another layer of government.

Pantin, Les (Office of the Mayor)

From: webmaster@miamidade.gov
Sent: Tuesday, May 22, 2012 8:51 AM
To: Charter - Miami-Dade
Subject: Charter Review Suggestions

Contact Person: **carol fontani**

E-mail: **fontanic@bellsouth.net**

Contact Phone Number: **305 253 1808**

Home Address: **9920 sw 130 st**

City: **miami**

State: **fl**

Zip Code: **33176**

Suggestions: **am very opposed to the idea of the falls area incorporating. very little to gain and a lot to lose. i do not want more taxes.**

Pantin, Les (Office of the Mayor)

From: webmaster@miamidade.gov
Sent: Tuesday, May 22, 2012 9:50 AM
To: Charter - Miami-Dade
Subject: Charter Review Suggestions

Contact Person: **John Sabol**

E-mail: jsaboliii@aol.com

Contact Phone Number: **7867774414**

Home Address: **104740 sw 123 st**

City: **Miami**

State: **FL**

Zip Code: **33176**

Suggestions: I have lived in the same neighborhood for 48 years. I have seen a lot of change, some good, some not so good. Our area has always been a solid middle class neighborhood that you could feel safe in. My concern is that if we become our own little city, it will cost even more to live where we live. Where would the money be going? To fund a new city.... we don't need a new city. I would rather put more funds into our current infrastructure like schools, police, Fire rescue than to support a bunch of self serving politicians that have only lived in the area for a short time. We don't need them. We don't need pretty street signs, we don't need more people telling us how to run our house. We don't need more government! We just need to improve what we have.

Pantin, Les (Office of the Mayor)

From: webmaster@miamidade.gov
Sent: Tuesday, May 22, 2012 1:12 PM
To: Charter - Miami-Dade
Subject: Charter Review Suggestions

Contact Person: **Thomas Shaffer**

E-mail: shaffer8794@msn.com

Contact Phone Number: **305-233-4334**

Home Address: **12102 SW 108 Court**

City: **Miami**

State: **FL**

Zip Code: **33176-4613**

Suggestions: I believe most of the voters and homeowners in the area from the Falls to north of Kendall have indicated in the past that we **DO NOT WANT TO BE INCORPORATED INTO ANY CURRENT OR FUTURE CITIES**. We do not need another layer of government to pay now and try to figure out how to pay their retirement in the years to come. Our kids will be stuck with that. We are satisfied with Miami-Dade County type of government and regulations and resent the commissioners that fail to do their jobs the way the voters expect them to. Then they have the audacity to ask for 15 times as much pay. If they did their jobs right, there would be more money and less waste and fraud to run our local governments. We should not have to have the Miami Herald's investigative reporters pointing out all the corruption in going on in the Housing Department, Airport Management, Waste Department and the list goes on. **DON'T KEEP WASTING OUT MONEY ON "SPECIAL ELECTIONS"**.

Pantin, Les (Office of the Mayor)

From: webmaster@miamidade.gov
Sent: Tuesday, May 22, 2012 1:49 PM
To: Charter - Miami-Dade
Subject: Charter Review Suggestions

Contact Person: **Norberto Lamenca**

E-mail: lamenca@bellsouth.net

Contact Phone Number: **305.338.6254**

Home Address: **10243 SW 126 Street**

City: **Miami**

State: **FL**

Zip Code: **33176**

Suggestions: For your consideration â?" Dear Task Force members, I write to express my opposition to the general idea of arbitrary incorporation of UMSA. I live in the Falls area and have been a citizen of UMSA for over 32 years. I value and thoroughly enjoy the diversity that makes our county so unique. I enjoy being part of a larger whole and interested in the wellbeing of my fellow UMSA citizens far and near. I believe that as a larger independent group, we can retain greater control over our own destiny (politically and as a community), and wield stronger influence in Tallahassee. While others see UMSA as collection of uncoordinated and unrelated communities, often with conflicting priorities, concerns and interests, I see the beautifully diverse fabric of a community weaved from common goals, dreams, aspirations that share a deep sense of unity. From a more practical perspective, maintaining our independent status, (not as a collection of small incorporated municipalities), affords us lower local government costs. In contrast, incorporating into smaller less influential communities introduces negative aspects such as: â?¢ Diluted Political influence (both locally and at state levels) â?¢ Higher levels of government bureaucracy and control â?¢ Undermines county wide community unity (isolating nature of municipalities) â?¢ Reduces fiscal viability of less affluent communities â?" reduces funding from contributing communities crucial for needier UMSA areas. For these and many other reasons, I urge your support in opposition of further arbitrary incorporation of UMSA. If your recommendation is contrary to this view, then I urge you to consider incorporation of UMSA into one unified and large municipality. This would preserve all our current benefits and privileges. Thank you for your consideration, Best Regards, Norberto Lamenca