



**MIAMI-DADE COUNTY
FINAL OFFICIAL MINUTES
Board Of County Commissioners
and Public Health Trust Annual Joint Meeting**

Stephen P. Clark Government Center
111 NW 1st Street, 2nd Floor Commission Chambers
Miami, Florida 33128

Meeting Date:

Tuesday, June 24, 2008
Commission Chambers

Prepared by:

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Board of County Commissioners

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Clerk of the Board Division

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CLERK'S SUMMARY AND OFFICIAL MINUTES
MIAMI-DADE COUNTY BOARD OF COUNTY COMMISSIONERS
& PUBLIC HEALTH TRUST BOARD JOINT MEETING
Tuesday, June 24, 2008

The Miami-Dade County Board of County Commissioners (BCC) and the Public Health Trust Board of Trustees (PHT) convened in a meeting on Tuesday, June 24 2008, at 9:30 a.m. in the Second Floor Commission Chambers of the Stephen P. Clark Government Center, 111 N.W. 1st Street, there being present: County Commission Chairman Bruno Barreiro and County Commissioners Jose "Pepe" Diaz, Audrey Edmonson, Carlos Gimenez, Sally Heyman, Barbara Jordan, Natacha Seijas, Katy Sorenson, Rebeca Sosa, and Javier Souto (Commissioners Joe Martinez, Dennis Moss, and Dorrin Rolle were absent); and Public Health Trust Board Chairperson Ernesto A. de la Fe and members Stanley H. Arkin, Rosey Cancela, Joaquin del Cueto, Georgena D. Ford, Abraham A. Galbut, Armando Gutierrez, Jr., Walter James Harvey, Saif V. Ishoof, Marcos J. Lapciuc, Angel Medina, Jr., Capt. Diego L. Mella, Martin G. Zilber (Vice Chairperson John H. Copeland III and member Jorge L. Arrizurieta were absent). Staff members present were: Jackson Memorial Hospital (JMH) President/CEO Marvin O'Quinn, Assistant County Attorney Eugene Shy; Assistant to the PHT Board of Trustees Ivenette Cobb; and Deputy Clerks Diane Collins and Mary Smith-York.

OPENING REMARKS

BCC Chairman Barreiro opened the meeting with a moment of silence, followed by the Pledge of Allegiance. He welcomed everyone to today's meeting and recognized the Public Health Trust Chair, Mr. Ernesto de la Fe, and PHT Board members.

PHT Chairperson Ernesto de la Fe provided an opening statement and announced this year marked the 90th anniversary of the Jackson Health System (JHS)/Public Health Trust (PHT). He provided a brief historical overview of Jackson Hospital's development from inception. Mr. de la Fe noted the hospital consisted of twelve (12) primary care centers, sixteen (16) school-based clinics, two (2) long-term care nursing facilities, a children's hospital, a rehabilitation hospital, two (2) community hospitals, the Ryder Trauma Center, a transplant center, the County's only burn center, and the Jackson Care-A-Van project. He highlighted the support and leadership Jackson Health System provided the Miami-Dade community through the hard work and dedication of staff, doctors, nurses, and the partnership with the University of Miami. Mr. de la Fe noted the PHT's commendable efforts to maintain the same high standard of care for all residents, regardless of ability to pay. He expressed his appreciation to PHT Board Voting Commissioners Souto and Rolle for their attendance at the PHT Board and Committee meetings. He also thanked Commissioner Souto for sponsoring an ordinance providing a study be conducted to determine the feasibility of developing a Community Redevelopment Agency (CRA) in the vicinity of the health district, and asked for the Commission's support. In an effort to ensure PHT maximized its available resources, Mr. de la Fe advised the PHT had launched "Project Recreate," had developed innovative program, and had improved operational services and efficiencies. He commented that by acquiring Jackson North and South, the organization had almost doubled its footprint in the community. He also noted the Information Technology systems were being revamped to ensure greater financial accountability, better patient services, and more transparency. Mr. de la Fe stated the consequences of funding shortfalls included rationing of services, elimination of service lines, and reassessment of its mission. He asked that

**Miami-Dade County Board Of County Commissioners
& Public Health Trust Board Joint Meeting**

the Board of County Commissioners join the Trust in devising a long-term plan for the welfare and future of Jackson Health System.

ADMINISTRATIVE PRESENTATIONS / COMMENTS

Mr. Marvin O'Quinn, President/CEO, Jackson Health Systems (JHS), appeared and provided a brief overview of JHS's mission, vision, and purpose. He presented a PowerPoint presentation highlighting key points on ways the partnership between JHS and the University of Miami's School of Medicine (UM) had benefited this community. Mr. O'Quinn recognized Dr. Pascal J. Goldschmidt, Dean of the UM School of Medicine, who was present at today's meeting. Mr. O'Quinn highlighted the following key issues in his presentation:

- JHS Major Accomplishments: 2006-2007;
- Anticipated Accomplishments in 2008;
- State of Public Hospitals;
- Nationwide Crisis;
- Sources of Funding;
- FY 2007 Costs of Miami-Dade Programs & Free Care Funded by JHS;
- Charity Care Cost & Tax Revenue;
- Current and Future Challenges;
- Strategies for Achieving Financial Stability;
- Jackson Health System—Future Uncertain; and
- How Can the County Help?

Mr. O'Quinn noted the ability to provide the same level of quality care to wealthy and indigent individuals, was what defined Jackson. In conclusion, he acknowledged Jackson Health System's acceptance of the challenge to increase revenues, manage costs, and build facilities that would attract people to the institution. He stated he was confident that JHS would achieve its established goals, and he expressed his appreciation for the Board's support and commitment to the Jackson Health System/Public Health Trust organization.

County Manager George Burgess provided a brief overview of the County's FY2008-09 budget proposal, which he noted would be released at 1:00 p.m. today (6/24). He indicated that during development of this proposal, consideration was given to the \$200 million gap existing between resources and expenses. Mr. Burgess stated this proposal included a Maintenance of Effort (MOE) resulting in avoidance of a recurring impact of approximately \$23 million from tax rollbacks. He noted this was the result of a collective effort to persuade the State legislature to allow Jackson to "grandfather-out" of the rollback requirement. Mr. Burgess pointed out that Jackson Hospital's issues included long-term sustainability as a public hospital. He stated County staff would work diligently with Jackson Health System staff to address and resolve the fiscal issues as creatively as possible.

OPEN DISCUSSION

In response to Commissioner Jordan's question regarding the status of the 5-year plan for sustainability of JHS, Mr. Burgess explained the County had funded Jackson's debt service for equipment and capital needs for two consecutive years; however, this assistance would not be provided this year. He noted the cost for this service was \$85 million for the two years. He

advised that an item would be presented before the Board in July 2008 requesting approval of an additional \$45 million in Sunshine State funds for Jackson's Capital Program, which was included in the proposal previously approved by the Board. Mr. Burgess noted some program costs paid by the PHT included inmate medical, primary healthcare facilities, and Medicaid.

Responding to Commissioner Jordan's question on union participation in cost reduction and enhancement, Mr. O'Quinn explained no organized process currently existed for union involvement. Regarding displaced patients from hospitals that had been closed, he noted some enter other institutions while others stop seeking medical care and their conditions worsen. Mr. O'Quinn described a situation in Atlanta, Georgia, wherein the surrounding hospitals enlisted the help of the Chamber of Commerce and the commissioners to help Grady Memorial Hospital (GMH) remain open and avert the impact of GMH's displaced patients.

Mr. Angel Medina, PHT Trust Board member, clarified the amount of JHS' critical needs was approximately \$250 million, and explained that those monies were already included as a line-item in the proposed budget. He asked the County Manager to explore the possibility of transferring existing General Obligation Bonds (GOB) funds from projects experiencing difficulty moving forward to JHS' critical needs.

In response, County Manager Burgess explained that funds could not be shifted from one question to another within the GOB. He pointed out that the vast majority of dollars in the healthcare question were already going to JHS.

Responding to Commissioner Seijas' question regarding Jackson's debt collection process, Mr. O'Quinn advised, as part of "Project Recreate Effort," a new vice president with collections experience, recruited from Boston, Massachusetts, reorganized the collections structure. He noted JHS did not file liens on properties, rather opted for attachments to ensure payment should the homes be sold. Mr. O'Quinn stated policy existed for collecting payments involving attachments, and he indicated he would provide Commissioner Seijas with copies of this information. Mr. O'Quinn agreed to meet with Commissioner Seijas to discuss her comments, and recommended a review of property owners' actual responses regarding attachments/liens for nonpayment.

Mr. O'Quinn noted the newly implemented technology would capture an additional \$40 million in charges annually. Mr. O'Quinn agreed to meet with Commissioner Gimenez to provide him with the projected funding gaps for Fiscal Years 2009-10, 2010-11, and 2011-12 and to discuss how creating the proposed CRA would benefit the JHS.

Commissioner Souto commented on various methods that should be explored as potential funding sources for JHS and recommended Medicare funds be aggressively targeted. He suggested the Social and Economic Development Council (SEDC) be asked to conduct a study to devise a new plan for generating necessary funds for JMH to sustain its operation.

Commissioner Heyman expressed her appreciation to the Public Health Trust's Chair and President, and to Jackson Hospital's Union representatives for their financial commitment of \$40,000 towards the Jackson Memorial Rehabilitation Center.

Addressing Commissioner Heyman's concern regarding a process to recruit practitioners with national and international connections, Mr. O'Quinn stated, through analysis, seven service areas were identified as having major growth factors. He explained that funds from the "Strategic Capital" line item account, in the capital planning process, would be invested in those particular service areas, including Holtz Children's Hospital, which was being promoted to create revenue flows into the institution. He noted other strategies included promoting transplants, surgeries, and major medical services performed by Jackson on national and international patients flown into JMH from the Caribbean and South America. Mr. O'Quinn commented that the JMH health plan was also useful in retaining doctors and staff. Regarding plans to maximize the GOB funds, he noted a large portion of the GOB funds were directed to the Jackson South facility, for which a groundbreaking ceremony was scheduled this summer. Mr. O'Quinn advised although cost escalations had dictated scaling back on the plan, it was still considered viable.

Commissioner Diaz emphasized the need to address the negative impact on JMH's budget due to lengthy stays, which averaged up to nine days, when the normal stay, elsewhere, averaged three days. He pointed out health insurance carriers were reluctant to deal with JMH because of increased cost resulting from longer hospital stays, and suggested bringing the stays at JMH in line with that of other hospitals.

Responding to Commissioner Edmonson's request for a meeting to discuss ideas for using funds generated from the proposed CRA to benefit JHS, Mr. O'Quinn remarked that once the investigation determined a CRA would benefit the JHS, he would schedule a meeting.

In response to Chairman Barreiro's inquiry as to whether the State's recent legislation enabled JMH to acquire additional beds, Mr. O'Quinn explained the State streamlined the existing process making it less onerous. He added the State also implemented safeguards against entities seeking to challenge the process for their individual market share gains. Regarding Commissioner Diaz' point, Mr. O'Quinn noted the length of stay was attributed to the high level of census. He noted this was being addressed by moving through the process and pointed out the level of occupancy was less than a year ago. Mr. O'Quinn advised a new process was in place for allocating beds to ensure no patients were turned away, particularly those with insurance. He noted the addition of Jackson North and Jackson South helped with the census issues, and stated the goal was to add more beds at Jackson South rather than the main campus.

Chairman Barreiro emphasized the funding issue and noted JMH would inevitably operate at a deficit due to its designation as the "Safety Net" hospital. He asked Mr. O'Quinn to ensure all hospital networks countywide were involved in discussions with the County and the PHT, regarding funding issues and proposed initiatives.

Ms. Rosey Cancela, PHT Board Member, commented on the need to attract patients who had the ability to pay and, as Chair of the Facilities Committee, she noted the need to address the facilities issue. She noted most of the buildings in the JHS organization were between 30 to 35 years old and commended the Commission for passing the ordinance allowing the Jackson Memorial Foundation (JMF) to work with private dollars. Ms. Cancela emphasized the importance of improving the facilities to ensure a safe and pleasing environment for the patients. She assured the Commission of the PHT's commitment to work diligently to improve upon the Jackson Health System.

Commissioner Sosa commented on the need to develop a breakdown of the percentage of funds distributed to each level of service and an evaluation of the medical staff's needs to improve working conditions at JMH.

In response to Commissioner Sosa's question as to how much of the half penny tax revenues were allocated to JMH in FY2007-08, County Manager Burgess answered approximately \$150 million. He advised this allocation would remain the same for FY2008-09 and noted the allocation for the MOE had been converted to a fixed millage of approximately \$178 million. Regarding additional funding allocated by the County to JMH, Mr. Burgess reiterated the debt service payments of approximately \$120 million, provided the Board approved the forthcoming recommendation.

Commissioner Sosa asked the County Manager to provide her with a report listing the percentage of all funding that was dedicated to each line-item in the PHT's budget before the final budget was presented before the Health and Public Safety Committee.

PHT Chairperson Ernesto de la Fe expressed his appreciation to the County Commission for its interest and concern for the Public Health Trust/Jackson Health System. He expressed his gratitude to his colleagues for dedicating their time and efforts to this worthy cause, followed by recognition of the efforts of the BCC, staff, nurses, doctors, and the University of Miami. Mr. de la Fe commented that the goal was to work with the BCC to identify sustainable, long-term revenue sources to meet JHS's ever increasing needs. Mr. de la Fe advised that he and Mr. O'Quinn would come back, within the next few weeks, and present the Commission with ideas on this matter.

Commissioner Jordan recalled a previous discussion regarding free prescription services at JMH being utilized by patients who had moved to Broward County, and asked Mr. O'Quinn to meet with her to discuss what approach was taken to rectify that issue. She recommended Mr. O'Quinn consider narrowing the bridge between labor and management to facilitate a combined effort in the development of strategic approaches.

Mr. Diego Mella, Public Health Trust Member, commented on JMH's ability to survive the past financial struggles and recognized those present today as being the reason for this success.

Mr. Walter James Harvey, Public Health Trust Member, commented that JMH had been a jewel in this community, caring for some of the most vulnerable individuals over the past 90 years. He noted all proposals being presented to the Commission for approval were created with the goal of continuing to provide the community with quality health care.

ADJOURNMENT:

Hearing no further questions or comments, the meeting was adjourned at 12:13 p.m.

RECEIVED
By the Clerk for the record.

JUN 24 2008

Item _____

Exhibit _____

Meeting BCC/PH/T Annual Mtg

Joint Board of County Commissioners/Public Health Trust Annual Meeting

June 24, 2008

Jackson
MEMORIAL HOSPITAL
Jackson Health System



Jackson Health System's Mission and Vision

- Our mission is to build a healthy community and provide a single, high standard level of quality care for the residents of Miami-Dade County.
- Our vision is to be a nationally and internationally recognized, world-class academic medical system and to be the provider of choice for quality care.

What is Jackson Today?

- A major academic medical center affiliated with both UM and FIU
- Miami-Dade County's only hospital ranked by US News and World Report in four specialties
- Miami-Dade County's only Safety Net Hospital
- International destination of choice

Jackson
MEMORIAL HOSPITAL
Jackson Health System



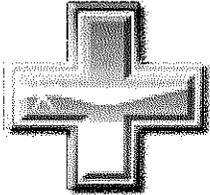
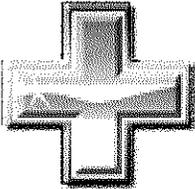
JHS Major Accomplishments 2006-2007

- Successful acquisition of Jackson North Medical Center
- Primary Care Network Expansion
- JMH Health Plan Expansion
- Tertiary/ International Program
- Joint development of Centers of Excellence with UM
- Relationship building with Community Physicians
- Affiliation with Florida International University (FIU) Medical School
- Implementation of Cerner Clinical Information System
- “Project Re-create” was implemented with savings and revenue initiatives resulting in over \$200 million in annual improvement initiatives

Anticipated Accomplishments in 2008

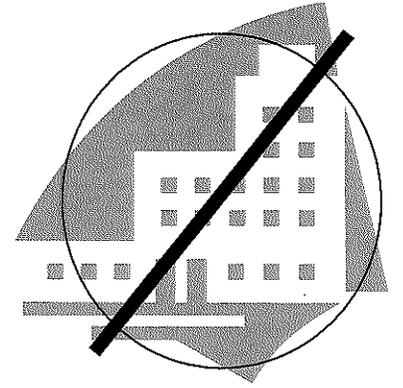
- Expansion of the Jackson South Medical Center
- Continued technology modernization
 - Implementation of Electronic Medical Records (EMR)
 - Communication between our medical and financial systems
 - Enterprise Resource Program (ERP)

The State of Public Hospitals

Increased Uninsured  Increased Charity Care  Declining Reimbursements =

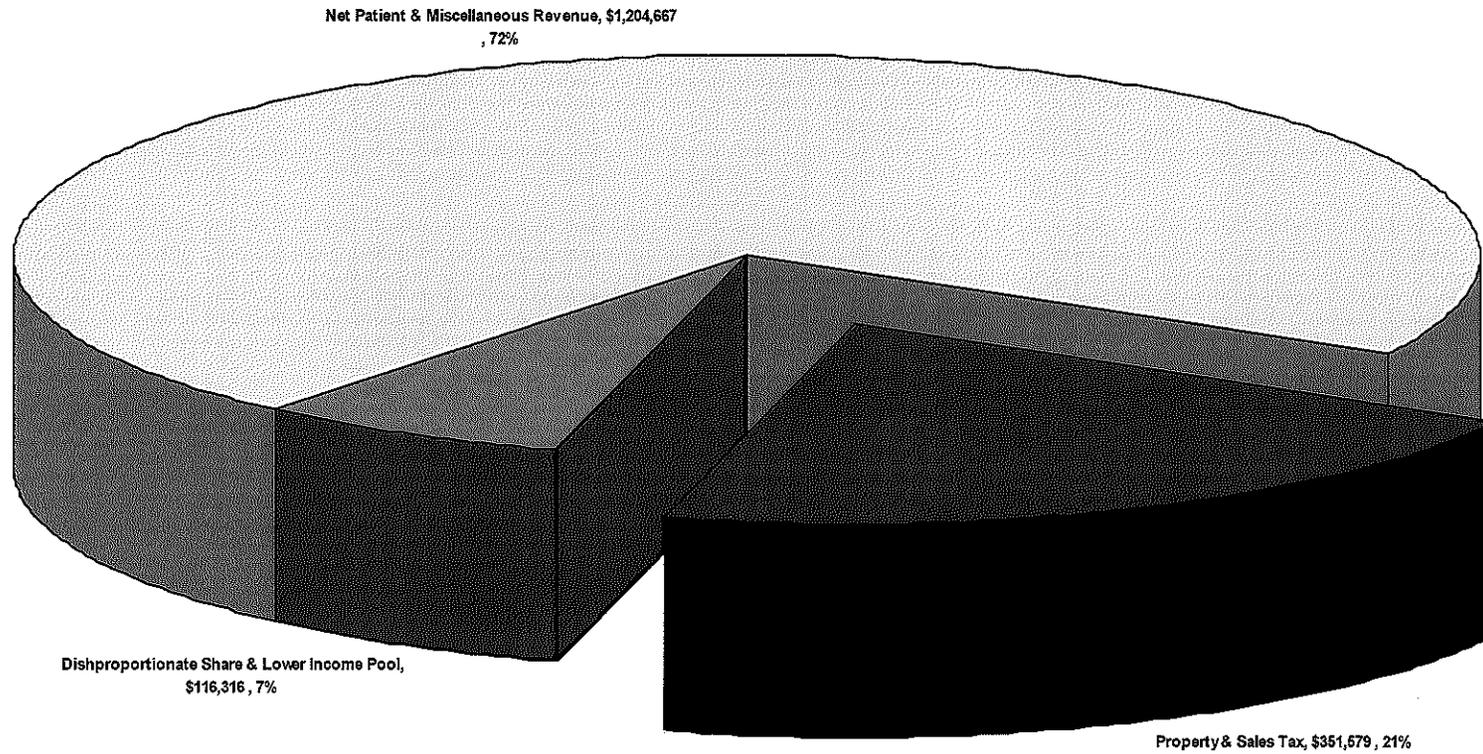
*Financially
Unsustainable
Model*

Nationwide Crisis



- DC General – closed
- St. Louis Regional - closed
- Milwaukee Medical Center - closed
- Philadelphia General – closed
- *Grady Memorial Hospital – on the verge of bankruptcy*

Sources of Funding

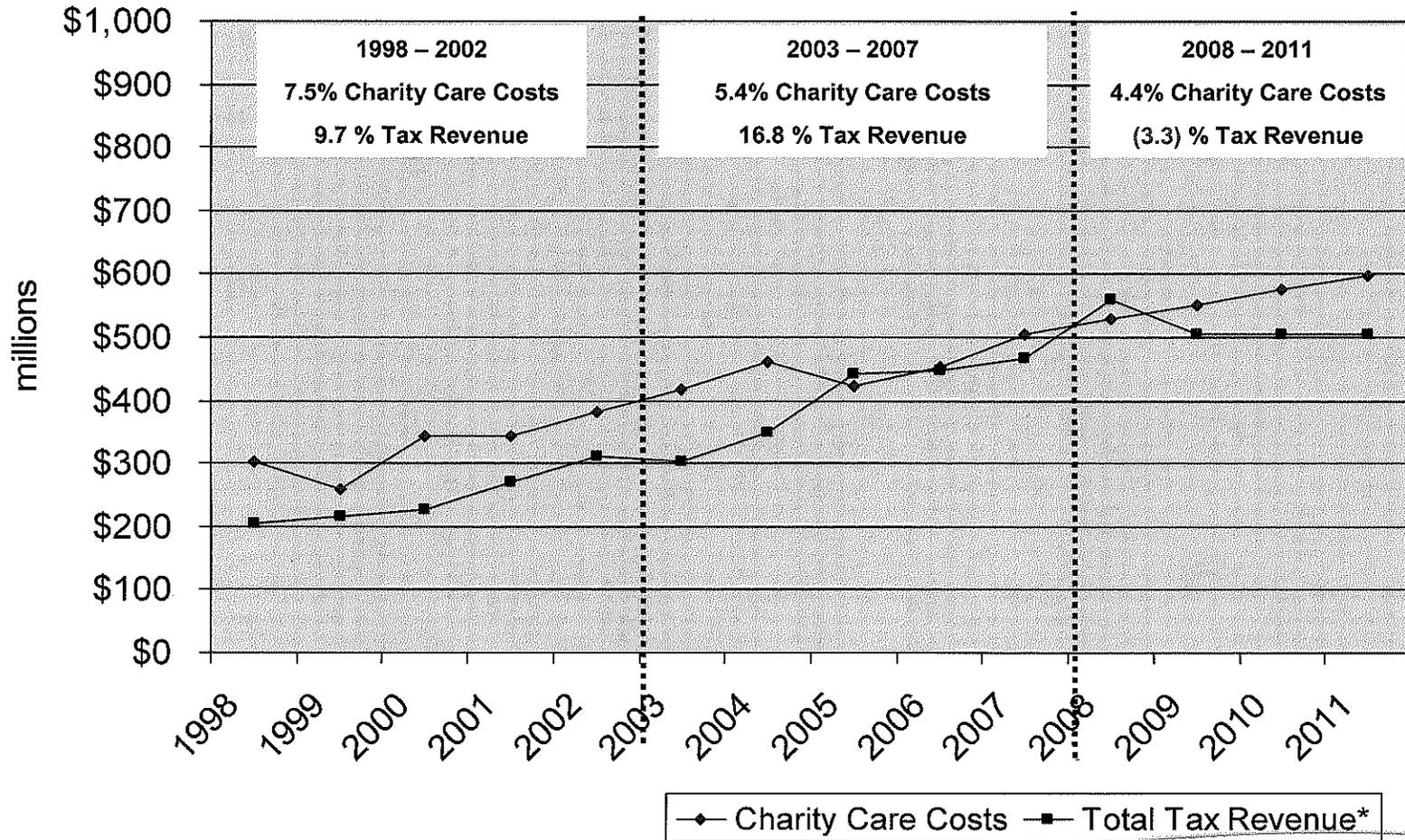


- Net Patient & Miscellaneous Revenue
- Property & Sales Tax
- Dishproportionate Share & Lower Income Pool

FY 2007 Costs of Miami-Dade Programs & Free Care Funded by JHS (Millions)

Total Miami-Dade Programs funded by Jackson	\$ 85.3
Cost of Charity Care	504.2
Total Miami-Dade Programs and Free Care	<u>\$ 589.5</u>
State & County Funding --	
DSH / LIP	\$ 116.3
Property & Sales Tax	351.6
Total State & County Funding	<u>\$ 467.9</u>
Funding Shortfall	<u><u>\$ (121.6)</u></u>

Charity Care Cost & Tax Revenue



*Total tax revenue includes: ad valorem, sales tax, DSH/LIP receipts and Dade County capital contribution

Current and Future Challenges

- **FY 07 Charity care costs projection of \$504 million is \$49 million or 10.8% higher than FY06.**
- **County capital contribution of \$45 million was deferred from FY07 to FY08.**
- **In FY 07, County discretionary funding cuts occurred in Primary Care, Nursing Homes and Detox programs totaling \$2.3 million. In FY 08, cuts increased to \$7.2 million with the elimination of \$4.9 million in Corrections Health Services.**

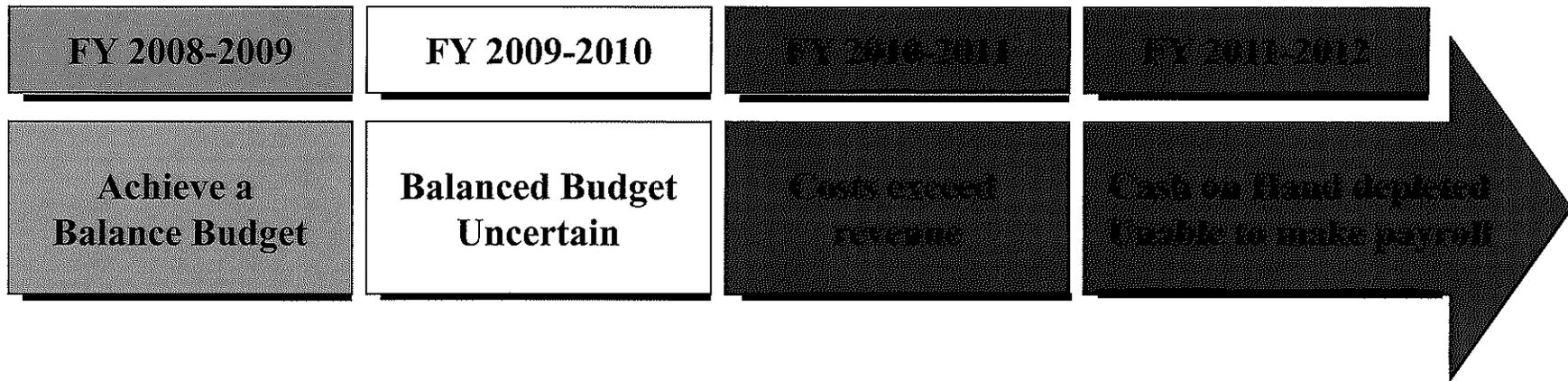
Current and Future Challenges, Continued

- In FY 09 we are looking for \$200 million in cost reductions and revenue enhancements
- State reductions in Medicaid result in additional estimated loss of \$8 million in revenue in FY08.
- FY 08 Sales Tax revenue has been reduced by \$7.5 million due to slowdown of local economy. Additional projected cut of \$22.7 million is forecasted in FY 09.
- Federal cuts remain on the horizon, with potential impact of \$129 million to JHS
- By the end of Fiscal Year 09, PHT's unmet capital needs will amount to \$94.6 million because of inadequate capital funding levels. This includes Mission Critical projects of \$66.6 million.

Strategies for Achieving Financial Stability

- **Currently, we are implementing a financial sustainability plan to reduce costs by \$200 million**
- **Next year our financial sustainability plan is projecting an additional \$100 million**
 - **For a total of \$300 million in savings over the next two years**
- **Continued development of strategic initiatives**

Jackson Health System – Future Uncertain



How Can the County Help?

- Capital support from the GOB
- Implementation of another ½ penny
- Creation of a CRA