MEMORANDUM Agenda Item No. 11(A)(17)

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

DATE: November 15, 2011

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

SUBJECT: Resolution directing that the mission statement recommended by the Miami-Dade County Hospital Governance Taskforce in its Final Report apply to the Public Health Trust

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/up

MEMORANDUM

(Revised)

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

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County Attorney

SUBJECT: Agenda Item No. 11(A)(17)

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**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(17)
11-15-11

RESOLUTION NO. _____

RESOLUTION DIRECTING THAT THE MISSION STATEMENT RECOMMENDED BY THE MIAMI-DADE COUNTY HOSPITAL GOVERNANCE TASKFORCE IN ITS FINAL REPORT APPLY TO THE PUBLIC HEALTH TRUST; THE ETHICS REQUIREMENT RECOMMENDED BY THE TASKFORCE IN ITS FINAL REPORT APPLY TO FUTURE APPOINTEES TO THE GOVERNING BODY OF THE PUBLIC HEALTH TRUST, EXCEPT TO THOSE APPOINTEES SPECIFICALLY DESIGNATED BY SECTION 25A-3(A); THE EXTERNAL AUDITOR FOR THE PUBLIC HEALTH TRUST BE REQUIRED TO ANNUALLY PROVIDE CERTIFICATION AND EXPLANATION THAT ALL SURTAX AND MAINTENANCE OF EFFORT FUNDS ARE USED FOR THE PURPOSE INTENDED; AND THE PUBLIC HEALTH TRUST CONTINUE TO WORK TOWARDS THE GOAL OF OPERATING WITH A BALANCED BUDGET WHILE CONTINUING TO DELIVER THE SAME HIGH LEVEL OF QUALITY MEDICAL CARE; AND EXPRESSING THE COMMISSION'S INTENT THAT ANY GOVERNING BODY OF THE PUBLIC HEALTH TRUST REPRESENT THE DIVERSITY OF MIAMI-DADE COUNTY AND THAT THE PUBLIC HEALTH TRUST REMAIN, IF POSSIBLE, A DISPROPORTIONATE SHARE HOSPITAL

WHEREAS, on January 20, 2011 the Board of County Commissioners (the "Commission") passed and adopted Resolution No. R-30-11 establishing the Miami-Dade County Hospital Governance Taskforce ("Taskforce") to study and to recommend to the Commission models for the governance of the Public Health Trust ("PHT"); and

WHEREAS, the Taskforce completed its work and issued its Final Report dated May 12, 2011 ("Final Report"), containing final recommendations to the Commission; and

WHEREAS, the Taskforce's Final Report recommended, among other things, that:

(i) there be a clearly stated mission statement and vision set forth as follows:

"that reaffirms Jackson Health System's roles as a safety net hospital, academic teaching hospital, and integrated healthcare system with multiple academic relationships."

The foregoing recommended mission statement from the Taskforce's Final Report shall hereinafter be referred to as the "Mission Statement"; and

(ii) there be diversity in the governing body; and

(iii) the following ethics requirement apply:

"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 in the future of Jackson Health System.

The immediate family 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..."

The Taskforce defined the term immediate family member to mean: "the spouse, parents, step-parents, brothers and sisters, step-brothers and step-sisters, children and step-children, of a governing board member."

The foregoing recommended language from the Taskforce's Final Report shall hereinafter be referred to as the "Ethics Requirement"; and

(iv) the external Auditor for the Public Health Trust 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 intended; and

(v) the PHT remain eligible for Disproportionate Share Hospital funding; and

WHEREAS, on May 2, 2011 and prior to issuance of its Final Report, the Taskforce issued interim recommendations that urged the Commission to consider, during the Commission's deliberations over the establishment of the Financial Recovery Board, the following:

(i) inclusion of diversity in the governing body; and

(ii) applying the following heightened standard in determining whether a person eligible to serve on the governing body had a conflict of interest:

> "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"; and

WHEREAS, on May 3, 2011, the Commission adopted Resolution No. R-392-11 establishing the Financial Recovery Board and incorporating the Taskforce's interim recommendations in that it expressly established, among other things, that: (i) "members of the Recovery Board shall represent the diversity of Miami-Dade County"; and (ii) "in selecting the membership of the Recovery Board emphasis should be on ethics and the absence of perceived conflicts. Members of the Recovery Board shall have no conflicts of interest, personally or as stakeholders, in the outcome of the Recovery Board's decisions and that the Recovery Board as a governing body shall have the future of Jackson Health System as their sole interest;" and

WHEREAS, thereafter, the Financial Recovery Board adopted Bylaws specifically acknowledging the Commission's mandate that the Members of the Financial Recovery Board be

held to a heightened conflict of interest standard and empowering the Miami-Dade County Ethics Commission to issue opinions concerning this heightened standard, including perceived conflicts of interest or appearances of impropriety related thereto; and

WHEREAS, in the 2010 to 2011 budget year, the PHT received a combined total of County surtax and maintenance of effort revenues in excess of approximately $320 million; and

WHEREAS, the Commission wishes to direct the PHT to continue to work towards the goal of operating with a balanced budget while continuing to deliver the same high level of quality medical care to Miami-Dade County residents; and

WHEREAS, the PHT currently qualifies, since it serves significant populations of indigent patients, as a Disproportionate Share Hospital, which entitles the PHT to certain special funding; and

WHEREAS, the Commission has not made any decisions regarding a change in governance as recommended by the Taskforce, however, the Commission seeks to express its intent that there be diversity in the governing body; and

WHEREAS, the Commission also seeks to apply the Mission Statement to the PHT; and

WHEREAS, the Commission also seeks to apply the Ethics Requirement to future appointees to the governing body of the PHT, except to those appointees specifically designated by Section 25A-3(a). Section 25A-3(a) states, in relevant abbreviated part:

> "[t]he governing body of the Trust shall be a Board of Trustees composed of seventeen (17) voting members none of whom shall be employees of the Trust. The voting membership shall include a member of the University of Miami Board of Trustees and a member of Florida International University Board of Trustees. In addition, the voting membership shall include the Chairperson of the Board of County Commissioners and a Commissioner designated by the Chairperson, or alternatively in his or her discretion, the Chairperson of the Board of County Commissioners may designate two (2) Commissioners to serve as voting members."; and

WHEREAS, the Commission also seeks to apply to the PHT the Taskforce's recommendation that the external Auditor for the PHT annually provide certification and explanation that all ad valorem/general fund support and surtax revenues that are received are used for the purpose for which they were intended; and

WHEREAS, the Commission also seeks to support efforts to keep the PHT, if possible, eligible for Disproportionate Share Hospital funding; and

WHEREAS, pursuant to Section 25A-4(j) of the Code of Miami-Dade County, which is made applicable to the Financial Recovery Board pursuant to Ordinance No. 11-43, the governing body of the PHT shall comply with directives of the Commission as set forth by resolution of the Commission,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. The Commission hereby directs that: (i) the PHT shall be subject to the Mission Statement; (ii) any future appointees to the governing body of the PHT, except for appointees specifically designated by Section 25A-3(a), shall be subject to the Ethics Requirement; (iii) the PHT shall ensure, upon any future appointments to the governing body of the PHT, that its Bylaws contain provisions empowering the Miami-Dade County Ethics Commission to issue opinions concerning the Ethics Requirement; (iv) the governing body of the PHT shall be required to ensure that the external Auditor for the PHT annually provide certification and explanation to both the governing body of the PHT and to the Commission that all ad valorem/general fund support and surtax revenues that are received are used for the purpose for which they were intended; and (v) the PHT shall continue to work towards the goal

of operating with a balanced budget while continuing to deliver the same high level of quality medical care to Miami-Dade County residents.

Section 2. The Commission hereby expresses its intent that: (i) any governing body of the PHT shall represent the diversity of Miami-Dade County; and (ii) the PHT remain, if possible, a Disproportionate Share Hospital.

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

Joe A. Martinez, Chairman
Audrey M. Edmonson, Vice Chairwoman

Bruno A. Barreiro	Lynda Bell
Esteban L. Bovo, Jr.	Jose "Pepe" Diaz
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared the resolution duly passed and adopted this 15th day of November, 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:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. JAC for LML

Laura M. Llorente