CLERK OF THE BOARD

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Clerk of the Board
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OFFICE OF THE MAYOR
MIAMI-DADE COUNTY, FLORIDA

VETO AND VETO MESSAGE

To: Honorable Chairwoman Rebeca Sosa and
Members of the Board of County Commissioners
Miami-Dade County, Florida

From:

Carlos A. Gimenez, Mayor
Miami-Dade County, Florida

Pursuant to the authority vested in me under the provisions of Section 2.02.D of the Miami-Dade County Home Rule Charter, I hereby veto Resolution No. R-1031-13 adopted at the December 5, 2013 Board of County Commissioners Special Meeting:

RESOLUTION RESOLVING COLLECTIVE BARGAINING IMPASSE BETWEEN MIAMI-DADE COUNTY, THE PUBLIC HEALTH TRUST AND THE SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU), LOCAL 1991 – ATTENDING PHYSICIANS

VETO MESSAGE

On Thursday, December 5, 2013, the Board of County Commissioners (Board) approved four resolutions: Resolution No. R-1030-13; Resolution No. R-1031-13; Resolution No. R-1032-13; and Resolution No. R-1033-13, which eliminated the current five (5) percent contribution of base wages that employees covered by the American Federation of State, County and Municipal Employees, General Employees, Local 1363 (AFSCME - 1363), Service Employees International Union (SEIU), Local 1991 – Attending Physicians, SEIU, Local 1991 – Professionals, and SEIU, Local 1991 – Registered Nurses (collectively, "Unions"), respectively, pay towards the cost of group health insurance, effective January 1, 2014.

Based on the serious concerns regarding the impact of the actions taken by the Board as expressed by Carlos A. Migoya, President & Chief Executive Officer of Jackson Health System, in his correspondence dated December 11, 2013 (Attachment), I am taking this action on behalf of Jackson Health System and the Public Health Trust.

CLOSING

I would encourage the Board to carefully review the information enclosed in the attachment. I am confident that through the collaborative efforts of Mr. Migoya and the Unions, our community's public hospital will continue on its path to financial stability and remain a premiere healthcare organization.

Attachment

TO: Honorable Carlos A. Gimenez
Mayor

FROM: Carlos A. Migoya
President & Chief Executive Officer

DATE: December 11, 2013

RE: Impact of 5 Percent Insurance Contribution on Jackson Health System

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Per your request, we have prepared an explanation of how the Board of County Commissioners' recent actions regarding collective-bargaining agreements would impact Jackson Health System.

On December 5, the Board settled outstanding impasse items with labor unions representing Miami-Dade County employees, including those at Jackson. The Board's decision terminated, effective January 1, 2014, the practice of deducting 5 percent from each employee's salary to help fund the cost of providing group health insurance.

Jackson's budget for FY 2013-14, adopted by the Public Health Trust Board of Trustees and subsequently by the Board of County Commissioners as part of the County's budget, did not anticipate terminating this 5 percent deduction. The recurring annual cost to Jackson of ending the deduction would be approximately $24 million; because it would only impact nine months of the current fiscal year, our adopted budget would be affected by approximately $18 million.

The adopted budget calls for a surplus of approximately $12 million. Therefore, ending the 5 percent deduction would leave Jackson's budget with an estimated loss of $6 million. Because we cannot allow Jackson to return to the chronic financial instability that defined its recent crisis, we would be forced to find other ways to balance the budget. Moreover, Jackson currently has less than 28 days of cash on hand – while this is a substantial improvement over last year, it is far short of the 175-day benchmark for peer institutions. We have serious concerns about any actions that would negatively impact our ability to build this vital reserve.

Going forward, this recurring new expense would present another substantial ongoing financial challenge during an era when we expect healthcare reform, market competition and declining public-payer reimbursements to squeeze Jackson's budget further every year.

These factors help explain why Jackson's budget for the current fiscal year called for the continued use of the 5 percent deduction.

If you have any questions, please feel free to call me.

c: Honorable Rebeca Sosa, Chairwoman
and Members, Board of County Commissioners
Darryl K. Sharpton, Chairman
and Members, Public Health Trust Board of Trustees