

Miami-Dade County

HOSPITAL GOVERNANCE TASKFORCE
Final Recommendations
(Report Published May 12, 2011)

Mission

1. Set forth a clearly stated mission statement & vision for the health system that reaffirms Jackson Health System's roles as a safety net hospital, academic teaching hospital, and integrated healthcare system with multiple academic relationships.

Board Composition

2. Nine members, with five initial appointments made by the Mayor and four initial appointments made by the Board of County Commissioners. The members shall serve staggered three-year terms with a three term limit: three shall be appointed for three-year terms, three for two-year terms, and three for one-year terms, with duration of initial terms determined by lottery. For subsequent appointments, the not for profit corporation board will nominate and elect its own membership.
3. The Taskforce recommends the initial board of directors be comprised of at least one physician, one lawyer, two CFOs/CPAs, and one insurance executive preferably with actuarial experience. The remainder shall be made up of members with extensive backgrounds and expertise in such fields as healthcare executive management, general business, nursing, labor relations, and/or community relations/community affairs.
4. We urge inclusion of diversity in the governing body.
5. The new governing board shall have the power to appoint non-voting ex officio members at its sole discretion.

Ethics

6. The governing board shall reflect and embrace a rigorous conflict of interest policy which includes a heightened standard, eliminating both the perception of as well as any actual conflict of interest for board members. Board members shall have no conflicts of interest for one year before or after serving, personally or as stakeholders, in the outcome of their decisions. The governing body's sole interest should be the future of Jackson Health System.

The immediate family¹ of a member of the board of Jackson Health System, and organizations in which the immediate family is employed, has control of, or has a material interest in, shall not be engaged to do business with or provide services to Jackson Health System. The immediate family of a member of the board shall not be employed in a management capacity as a director or above at Jackson Health System. Additionally, the immediate family of the member of the board shall not be employed as senior management, have control of, or have a material interest in an organization that competes with Jackson Health System.

Board member training shall include ethics training.

This heightened standard applies to both the initial and future boards.

Legal Structure and Governance

7. Establish a new not for profit corporation to manage and operate Jackson Health System, reserving to the County only certain enumerated powers described herein or otherwise provided by law.
8. Provide sovereign immunity. Every effort should be made to structure the not for profit corporation in such a way so as to preserve the applicability of the sovereign immunity statute, including pursuing legislative changes. For example, the governing body of Jackson Health System and the County should investigate the possibility of pursuing legislative changes similar to the changes approved for Shands Teaching Hospital and Clinics in the 2011 Florida legislative session, if legally appropriate.²
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 (1/2 penny surtax funds; ad valorem/general fund support, etc.)³; and to ensure that the safety net mission is being met. It will offer

¹ 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.

² 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.

³ 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.

recommendations to the Mayor and Board of County Commissioners on improving access, quality and coordination of countywide public health.

The Public Health Advisory Committee shall include members appointed by the Mayor and the Board of County Commissioners. One of the persons appointed shall be the Director of the Miami-Dade County Health Department or the Director's designee. The other members shall have extensive expertise in healthcare issues and shall not be County or Jackson Health System employees.

10. The Jackson Health System auditor shall be required to annually provide certification and explanation that all ad valorem/general fund support and surtax revenues that are received are used for the purposes for which they were legally intended.
11. Ensure Jackson Health System remains eligible for Disproportionate Share Hospital (DSH) funding.

Authorities and Responsibilities Retained by the Board of County Commissioners

12. Retain ownership and be responsible for the maintenance of the real property⁴ currently owned by the County and used by Jackson Health System.
13. Retain the responsibility for approval of any sale, transfer, destruction, replacement, abandonment, or related disposition of currently County-owned real property as referred to in paragraph 12 above.
14. To the extent possible, retain the responsibility for approval of any issuance of capital bonds under the authority of the County requested by Jackson Health System.

Authorities and Responsibilities Reserved to Health System Governing Board

15. All other authority and responsibility not specifically reserved to the County shall be exercised by the governing board including but not limited to:
 - Hire, fire, evaluate, and set compensation of the health system's CEO;
 - Establish by-laws;
 - Make decisions regarding human resources, purchasing, growth or reduction decisions of medical services, contracts and payments to academic institutions, etc.;
 - Develop and establish policies;
 - Conduct long range strategic planning;
 - Approve pay and compensation policies for its executive team and policies for employed physicians and employees;
 - Meet all local, state and national standards governing hospitals and health systems;
 - Annually, provide to the Mayor and Board of County Commissioners audited financial reports and an annual report on the operations and services of Jackson Health System with particular emphasis on care, quality and services provided to indigent residents of Miami-Dade County;

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

- 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.⁵

Adapting this study's findings to Jackson Health System's situation, the Taskforce recommendation is that the governing body shall focus on continuous improvement, driving towards dramatic improvement or perfection versus incremental change, emphasizing patient-centeredness, adopting a philosophy that embraces both internal and external transparency, which include such things as performance, efficiency, innovation, and a having a clear set of defined values and expectations that form the basis for accountability for results, innovation, strategic vision, sustaining the mission and values.

Implementation

17. We urge that an aggressive timetable be set to implement the recommendations of this Taskforce and that it be done with a sense of urgency.
18. An implementation committee, with the qualifications, composition and autonomy of the proposed not for profit corporation board, should be formed under the County Code and funded to perform the work necessary for the implementation of the new governance model. The implementation committee will then become the board for governance of Jackson Health System. The formation of this implementation committee should be immediate and can operate concurrently with the FRB. It is our intent that the FRB sunset as soon as possible and that the implementation committee will then become the board for governance of Jackson Health System, assuming all the authorities and responsibilities of governance.

⁵ 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>