

**MINUTES
BOARD OF TRUSTEES
INDIAN RIVER COUNTY HOSPITAL DISTRICT
Regular Monthly Meeting
November 17, 2016
4:30 PM**

TRUSTEES:	Eugene Feinour Ann Marie McCrystal Michael Weiss Allen Jones	Marybeth Cunningham John Val Zudans, MD. Thomas J. Spackman, MD.
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STAFF:	Ann Marie Suriano Kate Voss	Jennifer Frederick Jenifer Peshke, Esq.
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OTHER ATTENDEESS:	Heather Roberts Bob Savage Kathy Hendrix Lewis Clark Gerri Smith	Karen Deigl Mary Linn Hamilton Miranda Hawker Mary Blumstien Myra Weiss
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Convene Meeting – Eugene Feinour, Chairman IRCHD

Mr. Feinour convened the regular monthly meeting of the Indian River County Hospital District (“IRCHD”) at 4:30 p.m. The first order of business was the approval of the Chairman’s Meeting Minutes dated October 19, Regular Monthly Meeting Minutes dated October 20, and a November disbursement of \$943,688.36. Mrs. McCrystal made the motion to approve, which was seconded by Mrs. Cunningham. The motion carried unanimously.

District Counsel Report, Jennifer Peshke, Esq.

Mrs. Peshke provided her monthly District Counsel report and stated that over the past month she has been working with District staff to notify the funded health agencies of changes to the existing funding and operating agreements, which were approved by the board during last month’s meeting. She has also revised the lease and agency agreements associated with these agencies, to ensure that all District funding agreements and leases match the agreed upon funding and lease terms between the parties.

She continues to work on the District’s asset valuation project with Mr. Jones and there will be a presentation on the same at the December monthly meeting.

Further, Mrs. Peshke followed up on a request from the board back in October, regarding various Sunshine Law matters and reported to the board on the same at the November Chairman’s meeting.

Mrs. Peshke stated that she attended the Partner's Collaborative quarterly meeting along with District staff and Mr. Jones. She reported that the collaborative is making good progress in their efforts regarding the Partners program and will be working with the hospital regarding a financial true up of the Program, as well as recommending approval of funding for meeting and exceeding performance goals within the program pursuant to the Agreement for Operation and Funding of the Partners Program.

Additionally, she is currently reviewing the Trustee bonds to confirm when the bonds will be up for renewal, as well as notifying the insurance company of those bonds that do not need to be renewed, and of new bonds that need to be issued. She stated that she will be working with the insurance company and District staff on these matters into December.

Lastly, she stated that she continues to monitor the active House and Senate Bills related to Special Districts and their authority to levy taxes. To date she has no further updates.

Financial Statement Review- Allen Jones, Treasurer

Mr. Jones provided the financial statement review and stated that there is \$2.9 Million in the District accounts and to date, they have not received any tax revenues for the current fiscal year. He explained that the District should start to collect some tax revenues in the next few months, when residents begin to pay their taxes. Mr. Jones also addressed the Districts asset evaluation, which he is currently preparing. He stated that he would present his report at next month's meetings and provide a copy to the Trustees in the next few weeks to review prior.

Executive Director Report- Ann Marie Suriano, Executive Director

Mrs. Suriano gave her executive director report and stated that through the Strategic Plan, the District implemented a Board self-evaluation for the Trustees to complete at the end of the year. She will provide a copy of the document to the Trustees for review and completion. After review of the same, she stated that she will present a report to the Trustees with the group's recommendations, along with her own.

Further, she discussed that the Letter of Agreement the District entered into with the Agency for Health Care Administration ("AHCA") regarding low income pool funding for IRMC, has been amended. The match amount the District was responsible for paying to AHCA has been reduced by approximately \$200,000. The total amount being sent to AHCA quarterly is \$648, 646.75. The funds that the hospital is scheduled to receive, has not changed. To date, the District has not received reimbursement from the first payment sent to AHCA back in September. However, when they do receive the funds, the adjustment will be included. Mrs. Suriano will notify the board before the next payment is processed, to receive their approval.

She further discussed the District office space and lease. She explained that there has been ongoing construction for a year now and it may be beneficial for the District to explore other options concerning their office space or possible renovations in order to better meet the needs of the District.

Quarterly Agency Reports- New Horizons- Heather Roberts, Program Manager

Ms. Roberts provided the 4th quarter financial and performance review for New Horizons. She discussed New Horizons programs and services, which include psychiatric and case management, which is funded by the District. Over the last 6 months, all programs have stayed on track with their budget, besides psychosocial rehab, which had significant growth. She explained that there are still problems concerning psychiatric services and doctor time, but they are hoping to combat that short fall with the introduction of telemedicine in January 2017.

She further reviewed the data concerning unduplicated indigent qualified patients. Concerning psychiatric care, New Horizons received an 85% satisfaction score with their patients and with case management; they had a 95% satisfaction score.

Additionally, New Horizons just opened a new learning center, which provides psychosocial rehabilitation services to its clients, made possible through a grant they received from Impact 100. She also discussed their involvement with the PATH program, which works with homeless in Indian River County. The Trustees discussed the homeless population and how those individuals have trouble, becoming qualified for District supported indigent care, due to lack of cooperation or in returning documents to the health agencies. They feel this is a matter that the District could be monitoring more closely. It was also discussed that the new District Care Card program may help some of those individuals, since they will no longer have to be qualified at each health agency they visit, once they receive the card.

New Business- Adoption of Resolution 2016-03- Jennifer Peshke, Esq.

Mrs. Peshke stated that brought before the Trustees today, is Resolution 2016-03 and provided a brief history as to why the Trustees instructed her to draft this resolution. She explained that last month she was asked whether the hospital is statutorily or legally bound to operate under the Sunshine Law and Public Records Act guidelines. In addition, she was asked if there are any exemptions, which allow the CEO of the hospital, who is an ex officio non-voting member, to communicate directly with individual members on the Board of Directors. Mrs. Peshke stated that Florida Statute 395. 3036 gives an exemption to hospitals like Indian River Medical Center, which means the hospital is not statutorily or legally bound to operate in the Sunshine. This was also affirmed in the lawsuit between IRMC and the District back in 1997, which case was appealed and affirmed to this issue. She then explained that while the hospital is not statutorily or legally bound to operate in the Sunshine, the hospital is contractually bound to operate under the Sunshine Law and comply with the Public Records Act, pursuant to the terms in the lease between IRMC and the District.

She further addressed the issue of whether the CEO of the hospital, who is an ex officio non-voting member, is exempt from the Sunshine Law. As of 2005, there is an Attorney General opinion that states a CEO of a hospital, who is an ex officio non-voting member, is subject to the Sunshine Law. To date the District has not taken any formal action to exempt IRMC's CEO from the Sunshine Law, but after a review of District files and minutes dating back to 1999, there was mention of making a formal action on the same. She explained that there are other carve outs in the Lease, which exempt some IRMC committees from the Sunshine Law. She and Mrs. Suriano also spoke with former District attorneys and the executive director at that time regarding the same. During that time, both parties agreed that the CEO would be exempt from the Sunshine

Law and could communicate to his or her board members one on one; however, there was no formal action taken by the District Board found. In reporting her findings to the District Trustees, they instructed Mrs. Peshke to prepare a Resolution stating that the IRMC CEO is exempt from the Sunshine Law for practical purposes of managing the hospital. Mrs. Peshke read the motion. (See attached Resolution 2016-03). Mr. Jones made a motion to adopt Resolution 2016-03, which was seconded by Mrs. Cunningham.

Dr. Zudans expressed his concerns with the resolution and stated that he felt the District does not have the authority to pass a resolution concerning matters involving the Sunshine Law and feels that passing this resolution would allow the hospital to escape the Sunshine Law, which is an issue. Dr. Weiss echoed Dr. Zudans concerns and stated that the District should obtain an Attorney General opinion stating that this would not be in violation of the Sunshine Law. Dr. Zudans made a motion to table the original motion approving Resolution 2016-03. The motion to table was seconded by Dr. Weiss. The Trustees discussed the same and felt that since there was concern from some members of the board, it was best to table the motion. The motion to table carried unanimously. Therefore, Mrs. Peshke was instructed to prepare a written request to the Florida Attorney General asking for an opinion on whether or not the District has the authority to pass a Resolution that exempts the IRMC CEO from the Sunshine Law, as IRMC is contractually bound to the Sunshine Law.

Other Business-

Dr. Zudans provided the following statement. He offered thanks to his patients, friends, family, colleagues, Florida Eye Institute family, the voters who trusted in him and his wife Tracey, for their support during the election. Although he is disappointed that he lost the election, he wants to reassure those people that they did win by holding the hospital accountable. Through his efforts, he feels that the community is now aware that hospital management grossly underperforms in comparison to other area hospitals and he feels that change is now inevitable. He explained that despite IRMC's attempts to claim that private insurance contracts were poorly negotiated on purpose to save local business and government money, IRMC now knows the truth and is now scrambling to perform better financially. In the last weeks of his campaign, IRMC admitted that they were quietly sending contract termination letters to private insurers in the community as a negotiating tactic to obtain higher rates. The recent IRMC 2017 budget has already counted those yet to be negotiated rate increases and they are expecting to receive them. He feels that if IRMC negotiations fail, this will result in another multi-million dollar loss that is to be made whole by taxpayers. Therefore, community members will be paying higher co-pays and deductibles at IRMC because it will now be out of network. However, he stated that now the community is scrutinizing the performance of IRMC management, which means changes for the better. Additionally, IRMC management presented to Board of Directors, a plan for a \$100 million dollar, 6-story hospital expansion. This would mean that the hospital, who has failed to turn a cumulative profit over the last 17 years with the current CEO and has 63 days cash on hand, is planning an expansion supposedly paid mostly by philanthropy. He feels that if management fails to raise the money for this project, taxpayers will again pay for their shortcomings. In closing, he stated that the public deserves better than what is currently taking place.

Dr. Weiss had questions regarding Dr. Zudans report that the hospital was going to be building an addition to the hospital. Since the hospital was not in attendance at tonight's meeting, most of the Trustees agreed that any conversation surrounding these matters should be discussed when a representative from the hospital is in attendance to respond. It was agreed by the Trustees, that a request to the hospital would be made to come before the board and report on the same. Additionally, Mr. Feinour stated that any improvements made to the hospital, which are \$500,000 or more, must be approved beforehand, by the District, pursuant to the Lease Agreements in place between the parties.

Dr. Weiss expressed his condolences on behalf of the Board regarding the passing of Mr. Susi's mother.

Adjournment

The meeting adjourned at 6:00 PM

Respectfully Submitted,



Ann Marie McCrystal
Secretary