

## Minutes

**Maricopa County Special Health Care District  
Board of Directors Bond Advisory Committee Meeting  
Maricopa Medical Center  
Auditoriums 1 and 2  
March 11, 2013  
2:30 p.m.**

**Voting Members Present:** Bill Post, Chairman  
Lattie Coor, Ph.D., Vice Chairman  
Tony Astorga  
Paul Charlton  
Kote Chundu, M.D.  
Frank Fairbanks  
Nita Francis – *telephonically*  
Merwin Grant  
Doug Hirano  
Diane McCarthy  
Rick Naimark  
Brian Spicker  
Ted Williams

**Absent:** Terence McMahon, Ex-officio, Director, District 5  
Len Kirschner, M.D.  
Joey Ridenour

**Others/Guest Presenters:** Susan Gerard, Chair, Special Health Care District Board of Directors  
Betsey Bayless, MIHS, President & Chief Executive Officer  
Bill Vanaskie, MIHS, Chief Operating Officer  
Robert E. Fromm, Jr., M.D., M.P.H., MIHS, Chief Medical Officer  
Louis B. Gorman, District Counsel  
Susan Doria, MIHS, Vice President Strategic Planning

**Recorded by:** Melanie Talbot, MIHS, Executive Director of Board Operations

### **Call to Order**

Chairman Post called the meeting to order at 2:44 p.m.

### **Roll Call**

Ms. Talbot called roll. Following roll call, it was noted that thirteen of the fifteen voting members of the Maricopa County Special Health Care District Bond Advisory Committee were present, which represents a quorum. Ms. Francis participated telephonically.

For the benefit of those participating telephonically, Ms. Talbot named the individuals present at the meeting.

### **Call to the Public**

Chairman Post called for public comment. There were no comments.

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**General Session Presentation, Discussion and Action:**

1. Welcome and Introductions

Ms. Gerard welcomed and thanked the Bond Advisory Committee members. She introduced Mr. Post and Dr. Coor, Committee chairman and vice chairman. She asked that the Committee members introduce themselves to each other and the public.

Ms. Gerard recapped the purpose of the Committee as laid out in the charter:

Review, prioritize and make recommendations to the Maricopa County Special Health Care District Board of Directors on proposed bond projects in support of the Maricopa Integrated Health System mission, vision and community needs.

Develop a bond proposal comprised of prioritized projects and make a recommendation to the District Board regarding the issuance of bonds or any other viable financing vehicle to fund the prioritized capital projects, including the consideration of a bond election.

Obtain public comment, community and stakeholder input, and expert opinion into bond project and proposal deliberations.

She reiterated that the Committee was appointed by the Board of Directors, therefore, the process needs to be open and transparent for the benefit of the public. The Arizona Open Meeting Law applies to the Committee.

Ms. Gerard introduced Ms. Talbot, Executive Director of Board Operations. Ms. Talbot will be assisting the Committee with meeting agendas, minutes, and other administrative duties.

2. Overview of Maricopa Integrated Health System

Ms. Bayless introduced her senior administration team. She then gave a brief overview of Maricopa Integrated Health System's (MIHS) history, including the transition from a county hospital to a special health care district.

Ms. Bayless spoke about the creation of the Safety Net Care Pool Program (SNCP). SNCP provides a means to compensate safety net hospitals for their uncompensated cost to provide services to Medicaid and uninsured/underinsured patients. SNCP will expire on December 31, 2013. SNCP does not, nor was it intended, to cover 100 percent of the cost of care.

3. Overview of Arizona's Open Meeting Laws

Mr. Gorman reviewed the Arizona Open Meeting Law and how it applies to the Committee. He reviewed the public's rights, and covered open meeting law violations and penalties.

4. Overview of Maricopa Integrated Health System's Strategic Direction

Ms. Doria reviewed the MIHS 2008 strategic plan. It was a five-year plan initiated and led by the District Board of Directors and facilitated by senior administration.

The strategic intent of the plan had four elements: provide accessible care for all in the community; create services to help people stay healthy; train health care providers for the future; and innovation.

Six keys strategies were developed that formed the foundation of the strategic plan. They were: transform the patient care experience; invest in MIHS's network of clinical facilities; integrate primary and ambulatory care sites; create exemplary medical education programs; develop health care access models; and engage the philanthropic community as vision partners.

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**General Session Presentation, Discussion and Action (cont.):**

4. Overview of Maricopa Integrated Health System's Strategic Direction (cont.)

The six key strategies have been the driving force behind senior administration's direction during the past five years, and have been the basis for which MIHS has made investment decisions to date.

Currently MIHS senior administration is revisiting the 2008 strategic plan. They have begun a refresh of the process and are reevaluating market assumptions.

MIHS senior administration will deliver its refined recommendations for the clinical delivery network plan to the Committee.

Mr. Hirano commented that the Committee will need the refreshed strategic plan for its deliberations and asked when it would be shared with the Committee.

Ms. Doria stated that senior administration anticipates that the refined assumptions will be ready by the end of April.

Ms. Gerard commented that in early 2010 the Board and senior administration decided to take a strategic "pause" due to the state's fiscal crisis, state Medicaid cuts, national healthcare reform, declining volumes, etc. MIHS switched gears from strategic planning to survival mode.

Chairman Post pointed out the metrics included in the strategic plan. He asked if the updated strategic plan will include metrics, including a history on performance and future projections. He also questioned how metrics will play into the revised plan that will be shared with the Committee.

Ms. Doria said the metrics will be revisited as the six key strategies are refined.

Chairman Post asked if staff will have alternatives to the strategic plan ready depending on what happens with health care exchanges.

Ms. Doria confirmed that staff is considering health care exchanges as part of the assumptions that will be reviewed in the process.

Mr. Astorga added that staff also needs to include expected outcomes in the strategic plan.

5. Discuss and Review Maricopa Integrated Health System's Finances and Economic Direction

Dr. Fromm reviewed financial and payor mix data from the 2012 fiscal year external audit completed by Ernst & Young (E & Y).

He reviewed the District's taxing authority and other powers of the Special Health Care District as outlined in A.R.S. §48-5541 and A.R.S. §48-5542.

6. Facility Overview

Mr. Vanaskie reviewed the programs and services available at MIHS, and then gave a facilities overview. Maricopa Medical Center (MMC) is a tertiary level acute care hospital, an academic medical center and an Adult Level I/Pediatric Level II trauma center. MMC also includes the Arizona Burn Center and the Arizona Children's Center. MIHS has two behavioral health hospitals and 11 Family Health Centers (FHCs), including an HIV clinic. MIHS also has a Comprehensive Health Center (CHC) with a variety of specialty clinics. Dental clinics are located within the CHC and some of the FHCs.

MIHS also owns the Maricopa Health Plan (MHP), an AHCCCS plan, with approximately 50,000 members.

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**General Session Presentation, Discussion and Action (cont.):**

7. Discuss the Scheduling of Tours

Ms. Talbot will work with staff and the Committee members to schedule facility tours to include MMC, Desert Vista, and the FHCs.

Mr. Naimark requested capital needs assessments for each of the facilities.

Ms. Gerard suggested that the Committee ask the Maricopa Health Centers Governing Council for a list of needs and priorities for the Federally Qualified Health Center-Look Alike clinics.

8. Future Meetings and Logistics

Chairman Post asked Committee members if they had any requests for information or future agenda topics.

Mr. Naimark requested information on the drivers of demand for services, how MIHS's role in the community compares to other entities in the market place, and how the Affordable Care Act could impact MIHS's role.

Mr. Astorga questioned how health care exchanges and Medicaid expansion will be incorporated.

When the Committee discusses and evaluates community need and the community's health status, Mr. Hirano would like the Committee to include the needs of the uninsured/underserved, health disparities and public health.

Mr. Grant commented that the 2008 strategic plan had a projected date for a new hospital by 2014, however, many factors made that goal impossible. For him, the most significant consideration for building a new hospital will be financing: how will it be obtained, will it be via bonds, will it be supplemented via IDA. All of these factors will be taken into consideration on the decision of how, where and when financing will be obtained. The Committee must ensure that financing is upfront, and a central issue of what the Committee does and decides.

Chairman Post said that having a strategic plan is essential and will give the Committee a baseline. The strategic plan must be developed before the Committee jumps to any conclusions. Metrics are important. It will be helpful if staff could provide the Committee with metrics comparable to other institutions across the nation.

Mr. Williams said many external factors beyond MIHS's control could impact the strategic plan.

Ms. McCarthy asked about the District Board's expectations with regard to timing and recommendations.

Ms. Gerard stated that if the recommendation from the Committee is to have a bond election, the District Board would like to have it appear on the ballot in November 2014. While the Committee charter states the Committee's final report is due to the Board of Directors by October 31, 2013, that was with the assumption that the Committee would begin its work in January 2013. The Board may need to adjust the charter. The Board must make a decision no later than March 2014 to allow enough time to run a good campaign. Therefore, the Committee should have its recommendation to the Board by early January 2014.

Chairman Post commented that the charter requires the Committee to meet monthly. He asked for suggestions. The consensus was that Monday afternoons work best.

**Adjourn**

**MOTION:** Ms. McCarthy moved to adjourn the March 11, 2013 Bond Advisory Committee Meeting. Mr. Fairbanks seconded. **Motion passed by voice vote.**

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Meeting adjourned at 4:42 p.m.

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Bill Post, Chair  
Bond Advisory Committee