

Minutes

**Maricopa County Special Health Care District
Board of Directors Meeting
Valleywise Health Medical Center
Conference and Administration Center, Auditoriums 1 through 4
March 22, 2023
1:00 p.m.**

Present: J. Woodfin Thomas, Chairman, District 4
Mark G. Dewane, Vice Chairman, District 2
Kate Brophy McGee, Director, District 3
Mary Rose Garrido Wilcox, Director, District 5

Absent: Mary A. Harden, RN, Director, District 1

Others Present: Steve Purves, FACHE, President & Chief Executive Officer
Claire Agnew, CPA, MBA, Executive Vice President, Chief Financial Officer
Lia Christiansen, MBC, Executive Vice President, Chief Administrative Officer
Sherry Stotler, RN, MSN, Senior Vice President, Chief Nursing Officer
Mark M. MacElwee, MD, Chief of Staff
Martin C. Demos, JD, Senior Vice President, General Counsel

**Guest Presenters/
Speakers:** Kote Chundu, MD, President and Chief Executive Officer, District Medical Group
Crystal Garcia, RN, MBA, Vice President, Specialty Services, Quality and Patient Safety
Lene´ Hudson, Director Care Management
Susan Lara-Willars, HCS, MBA, Senior Vice President, Chief Human Resources Officer
Matthew Meier, MBA, Vice President, Financial Services
Michael Fronske, Legislative and Governmental Affairs Director

Recorded by: Melanie Talbot, Chief Governance Officer; Clerk of the Board
Cynthia Cornejo, Deputy Clerk of the Board

Call to Order:

Chairman Thomas called the meeting to order at approximately 1:00 p.m.

Roll Call

Ms. Talbot called roll. Following roll call, she noted that four of the five voting members of the Maricopa County Special Health Care District Board of Directors were present, which represented a quorum.

Pledge of Allegiance

Mr. Purves led the Pledge of Allegiance.

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Call to the Public

Chairman Thomas called for public comment.

Mr. Purves introduced Dr. Michelle Barker, the new Senior Vice President Ambulatory Services, and Chief Executive Officer Federally Qualified Health Centers.

Mission Statement

Director Brophy McGee read the mission statement aloud.

General Session, Presentation, Discussion and Action:

1. Approval of Consent Agenda:
 - a. Minutes:
 - i. Approve Maricopa County Special Health Care District Board of Directors meeting minutes dated February 22, 2023
 - ii. Approve Maricopa County Special Health Care District Board of Directors meeting minutes dated March 6, 2023
 - b. Contracts:
 - i. Approve new agreement (90-23-190-1) between ARUP Laboratories, Inc., and the Maricopa County Health Care District dba Valleywise Health, to provide reference laboratory testing services
 - ii. Approve amendment #6 to the contract (MCO-20-001-06) between UnitedHealthcare Insurance Company and the Maricopa County Special Health Care District dba Valleywise Health, to replace amendment #5
 - iii. Approve a new funds flow agreement (90-23-203-1) between St. Joseph's Hospital and Medical Center and the Maricopa County Special Health Care District dba Valleywise Health, for redistribution of newly generated graduate medical education funding
 - iv. Approve a new cooperative agreement (90-23-192-1) between Cactus Transport Inc., dba Cactus Asphalt, and the Maricopa County Special Health Care District dba Valleywise Health, for paving and resurfacing services, and related work in alleys and parking lots
 - v. Approve amendment #2 to the contract (MCO-20-039-02) between UnitedHealthcare Insurance Company and the Maricopa County Special Health Care District dba Valleywise Health, for participation in the quality incentive program
 - vi. Approve a new facility and professional services agreement (MCO-20-037-MSA) between Coventry Healthcare Workers Compensation, Inc., and the Maricopa County Special Health Care District dba Valleywise Health, for the provision of comprehensive medical and behavioral health services

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General Session, Presentation, Discussion and Action, cont.:

1. Approval of Consent Agenda, cont.:
 - b. Contracts, cont.:
 - vii. Approve a new professional services agreement (MCO-20-038-MSA) between Health Value Management, Inc., dba Humana Behavioral Health Network, and the Maricopa County Special Health Care District dba Valleywise Health, to allow members to receive comprehensive behavioral health services through Valleywise Health integrated behavioral health providers
 - viii. Approve amendment #3 to the contract (90-17-083-2-03) between Sherloq Solutions and the Maricopa County Special Health Care District dba Valleywise Health, to extend the contract for one additional year
 - ix. Approve amendment #12 to the contract (90-13-140-1-12) between Health Net of Arizona, Inc., dba Arizona Complete Health, and the Maricopa County Special Health Care District dba Valleywise Health, for participation in the quality incentive program
 - x. Approve amendment #2 to the contract (90-13-242-1-02) between BCBSAZ Health Choice and the Maricopa County Special Health Care District dba Valleywise Health, for participation in the quality incentive program
 - xi. Approve amendment #3 to the contract (90-17-083-1-03) between Progressive Management Systems and the Maricopa County Special Health Care District dba Valleywise Health, to extend the contract for one additional year
 - xii. Approve amendment #4 to the contract (90-14-062-1-04) between Banner University Health Plans (BUHP) and the Maricopa County Special Health Care District dba Valleywise Health, for participation in the quality incentive program
 - xiii. Approve a new contract (90-23-106-1) between LaneTerralever, LLC., and the Maricopa County Special Health Care District dba Valleywise Health, to be the Agency of Record (AOR) to provide creative and digital marketing, market analysis, public relations and media services, as well as web development services
 - xiv. Approve a new contract (90-23-106-2) between MTI Connect, LLC., and the Maricopa County Special Health Care District dba Valleywise Health, to supplement the Agency of Record (AOR) contract for specific, targeted marketing campaigns
 - xv. Approve a new agreement (90-23-204-1) between Baxter Healthcare Corporation and the Maricopa County Special Health Care District dba Valleywise Health, to purchase dialysis/CRRT supplies and products for the PRISMA system
 - xvi. Approve a new lease agreement (90-23-206-1) between Mesa Tower EE, LLC., (lessor) and the Maricopa County Special Health Care District dba Valleywise Health, (lessee) for 2,867 square feet of space located at 1201 S. Alma School Road Mesa, AZ 85210

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General Session, Presentation, Discussion and Action, cont.:

1. Approval of Consent Agenda, cont.:

c. Governance:

- i. Approve revisions to the following Board policy:
Policy 99109 G – Travel and Travel Reimbursement
Proposing new title: Board Member Conference Expenses and Travel Reimbursement
- ii. Approve application of Norma Munoz for membership to the Valleywise Community Health Centers Governing Council
- iii. Approve application of Earl Arbuckle for membership to the Valleywise Community Health Centers Governing Council
- iv. Approve application of Willian O'Neill for membership to the Valleywise Community Health Centers Governing Council
- v. Approve renewal of Policy 23624 D - Federally Qualified Health Centers Sliding Fee Discount Program
- vi. Approve Valleywise Health Foundation's ALL IN Campaign donor recognition requests
- vii. Approve patient account write-off greater than \$500,000 billed charges: Aetna Claim ID EPPCVCGXG00

d. Medical Staff:

- i. Approve Valleywise Health's Medical Staff credentials for March 2023
- ii. Approve Valleywise Health's Advanced Practice Clinician/Allied Health Professional Staff credentials for March 2023
- iii. Approve Proposed Revisions to Policy #39026 T: Operational Credentialing Policy and Procedure
- iv. Approve Proposed Revisions to the Policy #31200 T: Medical Staff Bylaws

e. Care Reimagined Capital:

- i. Approve capital expenditure request (CER #19-947AD) for the purchase and installation of adult patient beds for the new acute care hospital from Stryker Medical, for a cost of \$5,248,927
- ii. Rescind capital expenditure request (CER #19-947E) for a GE Maxima Computed Tomography machine and Approve replacement capital expenditure request (CER #19-947AE) to purchase a GE Apex Plus Power Pro Computed Tomography machine for the new acute care hospital from GE Healthcare for a cost of \$1,529,437

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General Session, Presentation, Discussion and Action, cont.:

1. Approval of Consent Agenda, cont.:

f. Capital:

i. Approve capital expenditure request (CER #23-435) for replacement end user workstations for a total cost of \$437,080

Chairman Thomas requested that item 1.c.vi., Valleywise Health Foundation's ALL IN Campaign donor recognition requests, be removed from the consent agenda, to be discussed and voted on separately.

MOTION: Director Wilcox moved to approve the consent agenda minus consent agenda item 1.c.vi..
Director Brophy McGee seconded.

VOTE: 4 Ayes: Chairman Thomas, Vice Chairman Dewane, Director Brophy McGee,
Director Wilcox
0 Nays
1 Absent: Director Harden
Motion passed.

Chairman Thomas addressed consent agenda item 1.c.vi., Valleywise Health Foundation's ALL IN Campaign donor recognition requests, highlighting the gift from District Medical Group.

Dr. Chundu stated the District Medical Group Board of Directors was excited and was appreciative of the partnership with the Maricopa County Special Health Care District over the years.

MOTION: Director Wilcox moved to approve consent agenda item 1.c.vi., Valleywise Health Foundation's ALL IN Campaign donor recognition requests. Vice Chairman Dewane seconded.

VOTE: 4 Ayes: Chairman Thomas, Vice Chairman Dewane, Director Brophy McGee,
Director Wilcox
0 Nays
1 Absent: Director Harden
Motion passed.

2. Presentation on the Health Equity Organizational Assessment (HEOA) Collaborative led by the Arizona Hospital and Healthcare Association

Ms. Garcia outlined Valleywise Health's participation in the Health Equity Organizational Assessment (HEOA) collaborative, led by the Arizona Hospital and Healthcare Association (AzHHA). The initiative began in 2022 with focus on social determinants of health (SDOH), with participating organizations committed to making health equity a strategic priority and invest the right resources, infrastructure, and programs into health equity initiatives.

The project plan included individual monthly coaching calls with each participating hospital, as well as group meetings. The goal was to educate healthcare providers on the importance of incorporating an equity lens to improvement strategies. The collaborative would conclude in May 2023.

Valleywise Health was participating from both a hospital and clinic perspective and submitted two survey reviews related to the initiative. She reviewed the timeline of the initiative and the tools used to monitor progress and identify barriers and challenges.

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General Session, Presentation, Discussion and Action, cont.:

2. Presentation on the Health Equity Organizational Assessment (HEOA) Collaborative led by the Arizona Hospital and Healthcare Association, cont.

Ms. Garcia stated Valleywise Health's goal was to increase SDOH screenings from five percent to 30% for the medium to high risk patient population. Prior to the initiative, due to limited resources, approximately five percent of the ambulatory adult patients were annually screened for SDOH. Plans were being developed to streamline the process, with a focus on coding the screening responses to prompt coordination of social services. Staff would then determine if the screening should be conducted more frequently.

A pilot program was implemented at Valleywise Community Health Center-South Phoenix/Laveen, with the objective to increase the number of screenings and creating a standardized process, developing an organizational awareness to social care needs of the patient population, while reducing repetitive work.

After a month, the number of SDOH screenings had increased, with nearly 70% of patients screened, were positive for one or more SDOH. There were also 145 SDOH interventions by a patient navigator.

Ms. Garcia reviewed the reasons for social work referrals, with the most frequent being financial resource strain and food insecurity. She provided patient feedback, which showed they were appreciative once they understood why the information was being collected.

Due to the results of the initial pilot, the process would be launched at more locations. Staff was also working to identify resources needed to incorporate positive SDOH responses into a patient the medical record, including software technology.

She reiterated the goal of the initiative was to increase SDOH screenings to 30% within the first ten months, improve patient satisfaction, and identify social needs and interventions for the patient population.

She outlined the identified challenges for sustainability, including long-term staffing resources to follow-up on what was needed for patients, technology resources, and acknowledging that not every patient would be screened through the process. The pilot also uncovered a need to develop a process for patient no-shows and expanding appointment availability.

Director Wilcox applauded the efforts made to communication with patients and gain their cooperation to gather the data needed.

Ms. Hudson stated the patients valued the time taken by staff to contact them prior to their visit and inform them of the program.

Director Brophy McGee requested a copy of the SDOH screening tool.

Chairman Thomas asked if patients could be positive for more than one SDOH at a time.

Ms. Hudson said many screenings unveiled that patients were positive for more than one SDOH, including transportation, homelessness, and financial stability. The interventions may address all factors identified in the screening.

Director Brophy McGee was interested in learning how the information gathered was used to make it relevant and meaningful to Valleywise Health's mission.

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General Session, Presentation, Discussion and Action, cont.:

3. Discuss, Review and Approve the Maricopa County Special Health Care District's Employee Benefits Program for Fiscal Year 2024

Ms. Lara-Willars provided an overview of the revisions to the employee benefits package for fiscal year (FY) 2024, noting a 6.5% total cost increase of the benefit plan, primarily attributed to inflation. Several contracts, including Optum Rx, the pharmacy benefits manager, had been reviewed and savings were negotiated for the current and future years.

Due to a variety of factors, employee contributions had not increased for the last three years. She reviewed the three medical benefit plans offered to the employees, highlighting changes in the out-of-pocket maximum and the emergency room co-payment amounts. The bi-weekly employee contributions were increasing, with the average increase ranging from \$15.49 to \$37.07 per pay period, dependent on the plan chosen by the employee. However, since June 2022, Valleywise Health had invested approximately \$12 million in market adjustments.

The increase in Valleywise Health employee contributions for the high-deductible and preferred plans were below the average benchmark, however, the point-of-service plan was higher than the average benchmark.

There were no recommended changes to the dental or vision plans. There was a recommendation to migrate life, accidental death and dismemberment, voluntary life, short-term disability, critical illness and accident insurance, and leave management to Lincoln Financial and Vizient. There were no recommended changes to the employee assistance program, flexible savings account, or COBRA (Consolidated Omnibus Budget Reconciliation Act).

Director Brophy McGee requested additional information on the Optum Rx savings.

As the information related to the benefits plan was distributed to employees, Director Wilcox asked that the Board be provided any feedback received.

MOTION: Vice Chairman Dewane moved to approve the Maricopa County Special Health Care District's Employee Benefits Program for fiscal year 2024. Director Wilcox seconded.

VOTE: 4 Ayes: Chairman Thomas, Vice Chairman Dewane, Director Brophy McGee,
Director Wilcox
0 Nays
1 Absent: Director Harden
Motion passed.

4. Discuss and Review Fiscal Year 2024 Budget Calendar

Mr. Meier informed the Board of the budget process for FY 2024 and the budget calendar identified key dates in that process. The budget was currently scheduled to be presented to the Board for review and consideration for approval in June 2023.

Director Wilcox noted that the Board had previously held a budget meeting in the evening hours, to allow the opportunity for the public to attend and provide input. She requested that an evening meeting be scheduled, prior to the Board's consideration for approval, to continue to provide that opportunity for the public.

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General Session, Presentation, Discussion and Action, cont.:

4. Discuss and Review Fiscal Year 2024 Budget Calendar, cont.

Ms. Talbot stated there was a budget meeting scheduled for Thursday, June 22, 2023, at 1:00 p.m., however, she suggested the start time could be shifted to the evening. The proposed budget would be available to the public on the website by Friday, June 16, 2023, to allow the members of the public time to review and submit comments. The consideration for approval would be removed from the agenda.

5. Discuss and Review Valleywise Health's February 2023 Financials and Statistical Information

Ms. Agnew reviewed statistical information for February 2023, noting acute admissions were 2.3% better than budget and behavioral health admissions missed budget by 23 percent. She mentioned the average length of stay in behavioral health had increased to 28 days, and there was a concerted effort to improve the statistic.

Chairman Thomas asked if the decrease in behavioral health admissions was attributed to the increased length of stay and not the staffing challenges.

Ms. Agnew said that staffing shortage continued to restrict the number of available beds in behavioral health.

Emergency department visits were better than budget by 18.5% and ambulatory visits missed budget by three percent. On a year-to-date basis, overall admissions missed budget by 43 admissions, emergency department visits were 18.2% better than budget, and ambulatory visits were 1.3% better than budget.

She discussed the payer mix, on a year-to-date basis, noting an increased usage in the other government and self-pay categories and a reduction in Medicare.

The February 2023 income statement was reviewed. Ms. Agnew noted total operating revenue had a 13% positive variance due to increased patient volumes, 340B program revenue, the Health II assessment increase, and an Arizona Health Care Cost Containment System (AHCCCS) reconciliation of the prior year. Operating expenses had a 1.4% negative variance, or \$891,266. The major contributing factor for the variance was contract labor, which had a negative variance of \$4.2 million.

Non-operating revenues, including grant funds, and the maintenance and operating tax, were 23.8% better than budget. Net assets, after factoring in non-operating revenue and expenses and removing bond related activity, decreased by \$503,168, compared to a budgeted asset decrease of \$7,771,318, for a positive variance of \$7,268,150.

Ms. Agnew reviewed the year-to-date income statement, noting decrease in net assets of \$57,373,136, compared but a budgeted decrease of \$48,691,601, for a \$8,681,535 unfavorable variance. There were 106.1 days cash on hand and 65.4 days in accounts receivable.

She mentioned the significant improvement in the year-over-year voluntary turnover rate. She was hopeful that improvement would translate to decreased contract labor expenses.

6. Discussion and Possible Action on Valleywise Health's 2023 Legislative Agenda and/or the Maricopa County Special Health Care District's Position Regarding Proposed State and Federal Legislative Items

Mr. Fronske reviewed the statistics of the current legislative session, which has been in session for 73 days, and noted that of the 18 bills passed, only two had been signed by the Governor. For context, this time last year, 20 bills had passed, however, then Governor Ducey had only vetoed one bill.

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General Session, Presentation, Discussion and Action, cont.:

6. Discussion and Possible Action on Valleywise Health's 2023 Legislative Agenda and/or the Maricopa County Special Health Care District's Position Regarding Proposed State and Federal Legislative Items, cont.

Director Wilcox addressed the number of bills that had vetoed by the Governor and asked if the number of vetoed bills had ever been this high.

Mr. Fronske said that he would research and provide that information to the Board.

Of the 42 bills that were being tracked, 24 bills were still active. He outlined the bills and explained where they were in the process. House Bill (HB) 2624, AHCCCS redetermination, had been amended to include the spending authority necessary to utilize federal money on the Medicaid program.

Chairman Thomas asked how HB 2338; AHCCCS, preventative dental care, would impact the organization, if passed.

Mr. Fronske said that should the bill pass, any coverage for preventative dental care would benefit the organization, as well as patients.

He recently attended the *America's Essential Hospitals' Policy Assembly* in Washington, DC. He also met with all congressional staff, including Congressman Gosar and Senator Sinema.

Director Wilcox requested an update on the efforts to create a safety net hospital designation.

Mr. Purves was pleased with the support received thus far; however, the process would take several years to achieve.

7. Monthly Update on Care Reimagined Projects

Ms. Christiansen provided an update on the Care Reimagined projects, noting more than 13 million manhours had been accumulated through the course of the various projects. There were no changes to the timeline related to the opening of the acute care hospital, which was scheduled to open in October 2023. There were no major concerns on the project dashboard.

As the opening of the new acute care hospital was approaching, staff was preparing for change workshops to test the upcoming changes with the employees, gather feedback and overcome their reservations about the move. Staff was also reaching out to other health systems that recently experienced a move, to garner insight and gain advice.

Several teams have been organized to plan opening events, including considerations for key stakeholders and members of the community.

She provided an update on the progress of the Piper Pavilion, which the first phase was scheduled to open in August 2023.

Director Wilcox requested a report on the artwork for the new acute care hospital.

Ms. Christiansen stated a report would be provided in April 2023.

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General Session, Presentation, Discussion and Action, cont.:

8. Review and Possible Action on the Following Reports to the Board of Directors:
 - a. Monthly Marketing and Communications Report (February 2023)
 - b. Monthly Care Reimagined Capital Purchases Report (February 2023)
 - c. Monthly Valleywise Health Employee Turnover Report (February 2023)

Chairman Thomas noted that item 8.c., Valleywise Health Employee Turnover Report, the turnover rates were trending in a positive direction.

MOTION: Director Wilcox moved to recess general session and convene in executive session at 2:15 p.m. Vice Chairman Dewane seconded.

VOTE: 4 Ayes: Chairman Thomas, Vice Chairman Dewane, Director Brophy McGee,
Director Wilcox
0 Nays
1 Absent: Director Harden
Motion passed.

General Session, Presentation, Discussion and Action:

Chairman Thomas reconvened general session at 4:08 p.m.

9. Concluding Items

- a. Old Business:

February 22, 2022

Quality Metrics Dashboard

- Add the numerator and denominator to PSI 04

Valleywise Health Investments with Maricopa County Treasurer

- What generated the claw back from the school districts
- What are other options for treasurer services
- What is the State Treasurer's investment yields
- What percentage is Valleywise Health of the Maricopa County Treasurer's Office portfolio

August 24, 2022

Monthly Update on Care Reimagined Projects

- Work with organized neighborhood groups near Valleywise Health Medical Center to build connections and invite to opening of new hospital

- b. Board Member Requests for Future Agenda Items or Reports

- c. Comments

- i. Chairman and Member Closing Comment
- ii. President and Chief Executive Officer Summary of Current Events

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Adjourn

MOTION: Director Wilcox moved to adjourn the March 22, 2023 Maricopa County Special Health Care District Board of Directors Formal Meeting. Vice Chairman Dewane seconded.

VOTE: 4 Ayes: Chairman Thomas, Vice Chairman Dewane, Director Brophy McGee,
Director Wilcox
0 Nays
1 Absent: Director Harden
Motion passed.

Meeting adjourned at 4:11 p.m.

J. Woodfin Thomas, Chairman
Maricopa County Special Health Care District
Board of Directors