

Minutes

**Maricopa County Special Health Care District
Board of Directors Meeting
Virginia G. Piper Charitable Trust Pavilion
2609 East Roosevelt Street, Phoenix, Arizona 85008
3rd Floor, Board Room
November 21, 2023, 1:00 p.m.**

Present: J. Woodfin Thomas, Chairman, District 4
Mark G. Dewane, Vice Chairman, District 2
Mary A. Harden, RN, Director, District 1
Kate Brophy McGee, Director, District 3
Mary Rose Garrido Wilcox, Director, District 5 – *participated remotely*

Others Present: Steve Purves, FACHE, President & Chief Executive Officer
Michael D. White, MD, MBA, Executive Vice President, Chief Clinical 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
Ijana Harris, JD, Senior Vice President, General Counsel

**Guest Presenters/
Speakers:** Michelle Barker, DHSc, Senior Vice President Ambulatory Services; and
Chief Executive Officer Federally Qualified Health Centers
L.T. Slaughter, CPA, MBA, Chief Compliance Officer
Crystal Garcia, MBA/HCM, RN, Vice President, Specialty Services, Quality
and Patient Safety
Gene Cavallo, MC, LPC, Senior Vice President, Behavioral Health Services
Martha Steiner, MSN-L, RN, Vice President, Behavioral Health Nursing and
Clinical Care
Susan Lara-Willars, HCS, MBA, Senior Vice President, Chief Human
Resources Officer

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

Call to Order:

Chairman Thomas called the meeting to order at 1:05 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. Director Brophy McGee arrived after roll call.

For the benefit of all participants, Ms. Talbot announced the Board member participating remotely.

NOTE: Director Brophy McGee arrived at 1:07 p.m.

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Pledge of Allegiance

Chairman Thomas led the Pledge of Allegiance.

Call to the Public

Chairman Thomas called for public comment.

Dr. Barker announced the outcome of the most recent Health Resources and Services Administration (HRSA) Operational Site Visit (OSV), which was conducted in early November 2023. It was determined that Valleywise Health was compliant with all 94 elements evaluated, achieving a perfect score.

Chairman Thomas congratulated Dr. Barker and all staff involved.

Mission Statement

Vice Chairman Dewane 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 general session meeting minutes dated October 25, 2023
 - ii. Approve Maricopa County Special Health Care District Board of Directors general session meeting minutes dated October 30, 2023
 - b. Contracts:
 - i. Approve amendment #1 to the subcontract agreement (90-23-145-1-01) between Mercy Care and the Maricopa County Special Health Care District dba Valleywise Health, for a mental health block grant for the First Episode Center
 - ii. Approve amendment #4 to the memorandum of understanding (MOU) (90-21-021-1-04) between Central Arizona Shelter Services, Inc. (CASS), and the Maricopa County Special Health Care District dba Valleywise Health, for emergency shelter beds and a healthcare navigator
 - iii. Approve amendment #1 to the agreement (90-22-249-1-01) between Vizient, Inc., and the Maricopa County Special Health Care District dba Valleywise Health, for the purchased services cost reduction engagement
 - iv. Approve a new hospital services agreement (MCO-20-040-MSA) between Cigna HealthCare of Arizona, Inc., and the Maricopa County Special Health Care District dba Valleywise Health, to allow members to continue to receive medical services through Valleywise Health facilities

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

1. Approval of Consent Agenda, cont.:
 - b. Contracts, cont.:
 - v. Approve amendment #2 to the facility agreement (MCO-20-003-02) between United Behavioral Health, Inc., and the Maricopa County Special Health Care District dba Valleywise Health, to allow members to continue to receive behavioral health services through Valleywise Health facilities
 - vi. Approve amendment #7 to the agreement (90-13-175-1-07) between Health Choice Arizona, and the Maricopa County Special Health Care District dba Valleywise Health, to add a new product to the agreement
 - vii. Approve amendment #8 to the contract (90-13-242-1-08) between Health Choice Arizona, and the Maricopa County Special Health Care District dba Valleywise Health, to add a new product to the contract
 - viii. Approve a new funds flow agreement (90-24-139-1) between Banner Health dba Banner University Medical Center Phoenix Campus, and the Maricopa County Special Health Care District dba Valleywise Health, for redistribution of newly generated graduate medical education funding
 - ix. Approve a new molecular master agreement (90-24-137-1) between Abbott Laboratories, Inc., and the Maricopa County Special Health Care District dba Valleywise Health, to lease the Alinity m instrument and compatible products
 - x. Approve a new agreement (MCO-20-045-MSA) between Envolve Dental, Inc., and the Maricopa County Special Health Care District dba Valleywise Health, to allow members to receive dental services through Valleywise Health dental providers
 - xi. Approve amendment #3 to the accountable care coordination agreement (MCO-20-039-03) between United Healthcare Insurance Company, and the Maricopa County Special Health Care District dba Valleywise Health, for participation in the quality incentive program
 - xii. Approve amendment #1 to the provider group services agreement (MCO-20-027-01) between Cigna HealthCare of Arizona, Inc., and the Maricopa County Special Health Care District dba Valleywise Health, to allow members to continue to receive medical services through Valleywise Health facilities
 - xiii. Approve a new consignment agreement (90-24-138-1) between MiMedx Group Inc., and the Maricopa County Special Health Care District dba Valleywise Health, for AxioFill and AmnioCord consigned products
 - c. Governance:
 - i. Approve application of Essen Otu for membership on the Valleywise Community Health Centers Governing Council
 - ii. Approve Valleywise Health's Code of Conduct and Ethics, Effective November 2023
 - iii. Approve revisions to Board Policy 99304 G - Code of Conduct and Ethics

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

1. Approval of Consent Agenda, cont.:
 - c. Governance, cont.:
 - iv. Accept the Maricopa County Special Health Care District dba Valleywise Health, annual audit for fiscal year ending June 30, 2023
 - v. Approve revisions to 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 affidavit appointing Kesley Pike, MD, as Deputy Medical Director in the Department of Psychiatry
 - viii. Approve insurance premium payments and policy renewals for the following Maricopa County Special Health Care District insurance programs:
 - Professional/General Liability (COPIC, MedPro, Arch, Sompo)
 - Worker’s Compensation/Employers Liability (Sentry)
 - Directors and Officers Liability (Beazley, RSUI, Berkley, RLI)
 - Crime/Fiduciary Insurance (Beazley)
 - Cyber/Privacy Liability (Beazley, Zurich)
 - Aviation Liability (ACE)
 - Environmental Liability (Ironshore)
 - Business Automobile Liability (Sentry)
 - ix. Approve single case agreement for \$99,999: Cigna Claim Authorization #230560
 - x. Approve patient account write-off greater than \$500,000 billed charges: Hartford Worker’s Compensation Claim ID #271016
 - d. Medical Staff:
 - i. Approve Valleywise Health’s Medical Staff credentials for November 2023
 - ii. Approve Valleywise Health’s Advanced Practice Clinician/Allied Health Professional Staff credentials for November 2023
 - iii. Approve proposed revisions to the Internal Medicine -Gastroenterology Privileges
 - iv. Confirm Travis Joseph Powell, MD, (Department of OB/GYN); Paul Edwin Pugsley, MD, (Department of Emergency Medicine); Christina Marie Smarik Snyder, MD, (Department of Family and Community Medicine); and Dale Michael Stern, MD, (Department of Internal Medicine); as Physician Members at Large (January 1, 2024 – December 31, 2025)
 - v. Confirm Tammalynn A Bambulas, CNM, (Department of OB/GYN); and Stacey Elizabeth Klein, ACNP (Department of Internal Medicine); as Advance Practice Clinician/Allied Health Professional Members at Large (January 1, 2024 – December 31, 2025)

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

1. Approval of Consent Agenda, cont.:
 - e. Care Reimagined Capital:
 - i. Approve amendment #2 to capital expenditure request (CER #19-947AQB) for additional infrastructure and installation of real time location services asset and staff tracking, and infant protection system from CenTrak for the new acute care hospital for an additional cost of \$10,591 for an aggregate total cost of \$1,597,939
 - ii. Approve amendment #1 to capital expenditure request (CER #19-947AKA) to purchase additional information technology equipment from CDW for the new acute care hospital and Piper Pavilion for an additional cost of \$507,801 for an aggregate total cost of \$1,978,251
 - iii. Approve amendment #2 to capital expenditure request (CER #19-947AOB) to purchase additional nurse call infrastructure from ECD Systems LLC., for the new acute care hospital for an additional cost of \$16,410 for an aggregate total cost of \$2,286,840
 - iv. Approve amendment #1 to capital expenditure request (CER #19-947ALA) to purchase additional Hewlett Packard endpoint devices from World Wide Technology for the new acute care hospital and Piper Pavilion for a cost of \$472,482 for an aggregate total cost of \$1,693,937
 - v. Approve amendment #6 to capital expenditure request (CER #19-947ANF) for additional cabling infrastructure from Cable Solutions for the new acute care hospital and Piper Pavilion for an additional cost of \$562,491 for an aggregate total cost of \$8,990,275
 - f. Capital:
 - i. Approve capital expenditure request (CER #24-429) to replace Cisco USC compute infrastructure nearing end of support for a cost of \$1,834,663 for fiscal year 2024

Director Harden removed item 1.c.vi. from the consent agenda to be discussed and voted on separately.

Director Brophy McGee removed items 1.c.ii. and 1.c.iii. from the consent agenda to be discussed and voted on separately.

MOTION: Director Wilcox moved to approve the consent agenda minus items 1.c.ii., 1.c.iii., and 1.c.vi. Director Harden seconded.

VOTE: 5 Ayes: Chairman Thomas, Vice Chairman Dewane, Director Brophy McGee, Director Harden, Director Wilcox
0 Nays
Motion passed.

Director Harden addressed consent agenda item 1.c.vi., noting the misspelling of Dr. Herbert Johnson Louis's name in the memo.

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

1. Approval of Consent Agenda, cont.:

MOTION: Chairman Thomas moved to approve consent agenda item 1.c.v.i., Valleywise Health Foundation's ALL IN Campaign donor recognition requests, including the correction to Dr. Louis's name. Vice Chairman Dewane seconded.

VOTE: 5 Ayes: Chairman Thomas, Vice Chairman Dewane, Director Brophy McGee,
Director Harden, Director Wilcox
0 Nays
Motion passed.

MOTION: Director Brophy McGee moved to approve consent agenda item 1.c.ii., Valleywise Health's Code of Conduct and Ethics, effective November 2023, and consent agenda item 1.c.iii., revisions to Board Policy 99304 G - Code of Conduct and Ethics. Director Harden seconded.

Director Brophy McGee requested examples of the changes made to Valleywise Health's Code of Conduct and Ethics.

Mr. Slaughter said the primary change was separating the Board of Directors' Conflict of Interest policy from Valleywise Health's Code of Conduct and Ethics, and ensuring the Board of Directors were compliant with state statutes related to conflict of interests. He collaborated with the Chief Governance Officer, Board Counsel and District Counsel. The Code of Conduct and Ethics was then presented to the Finance, Audit and Compliance Committee, prior to submitting to the Board of Directors for consideration.

He outlined the revisions made, including clarifying nomenclature throughout the document.

Ms. Harris stated the Code of Conduct and Ethics now defined items allowed as gifts, delineated those items between the elected body and Valleywise Health employees, and ensured compliance with state statutes. There were also updates that reflected the current state of operations.

Director Brophy McGee commented the Legislature was responsible for the state statutes, which were the standard that the Board and Legislature were held to. She questioned if it would be appropriate to implement disclosure requirements for gifts received, to aid in further transparency, beyond what was required by statutes.

Ms. Harris said there was nothing to preclude the Board from implementing additional disclosure requirements.

Director Brophy McGee requested future agenda item to discuss additional disclosure of the gifts received by the Board members.

Chairman Thomas said he was willing to share information related to the gifts he received while serving as an elected official.

VOTE: 5 Ayes: Chairman Thomas, Vice Chairman Dewane, Director Brophy McGee,
Director Harden, Director Wilcox
0 Nays
Motion passed.

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

2. Discuss and Review the Quarterly Quality Report and Metrics Dashboard including but not limited to Patient Safety and Hospital Consumer Assessment of Healthcare Providers and Systems Results

Ms. Garcia outlined the quality results for the first quarter of fiscal year (FY) 2024, addressing the metrics that did not meet the benchmark. To address the hospital-wide inpatient, risk-adjusted mortality index, staff was working with various partners and groups to ensure the clinical documentation was accurately capturing the patient's condition upon admission.

There were various factors causing STEMI: door-to-balloon to miss the benchmark, including but not limited to a small number of cases to gather the data from and the time needed to transport patients from Valleywise Emergency-Maryvale to Valleywise Health Medical Center. Staff was reviewing how the process was managed.

Ms. Garcia addressed patient safety indicator (PSI) 06, iatrogenic pneumothorax rate, stating there was one occurrence in July 2023. The case was reviewed, and no trends were identified. PSI-04, death among surgical patients with serious treatable complications per 1,000 surgical discharges, did not meet the benchmark. Each case was individually reviewed, and no common trends were identified, however, many of the patients were placed on comfort care and ultimately passed away.

There were two perioperative hemorrhage or hematoma, PSI-09, in the first quarter. Staff continued to monitor all metrics to ensure no trends developed. She noted the improvement from prior year for PSI-12, postoperative pulmonary embolism (PE) or deep vein thrombosis (DVT).

Director Harden said many surgical metrics did not meet the benchmark and asked how surgery department leadership was assisting to improve results.

Ms. Garcia stated the metrics were presented at the Perioperative Committee each month, with the quality analyst presenting each case to the group. Action plans were then developed to address any identified trends. She reviewed the details related to the analysis and action plans to improve PSI-14, postoperative wound dehiscence.

She reviewed the FY 2024 first quarter Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) preliminary results, which were consistent with the prior quarter results. A newly created patient experience collaborative developed a priority matrix table to determine which questions had the greatest impact to the overall score. After a recent meeting, staff would focus on answering the call light as soon as possible. Ms. Garcia reiterated the scores were based on the patient's perception of the care or service received.

She highlighted a low performing question, quiet around the room at night. She outlined several factors that may have contributed to the score and stated staff would continue to monitor and was hopeful the transition to the new acute care hospital would rectify the patient's perception.

Director Harden requested more information related to the question pertaining to the room being kept clean during the patient's stay.

Ms. Garcia stated that was a low performing question, however, it was determined that question did not have an impact on the overall score.

Director Harden noted that environmental services was outsourced many years ago and it was her expectation that the rooms be kept clean.

Ms. Garcia mentioned the HCAHPS were often delayed, and the quarterly scores did not include September 2023. The scores received for August 2023 were better than prior months and staff was hoping to maintain that momentum with the new patient experience collaborative.

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

2. Discuss and Review the Quarterly Quality Report and Metrics Dashboard including but not limited to Patient Safety and Hospital Consumer Assessment of Healthcare Providers and Systems Results, cont.:

A priority matrix table was also developed for the Federally Qualified Health Centers (FQHC) Net Promoter Scores (NPS), to aid staff in determining which questions would have the greatest impact on the overall score. There was a focus on the question related to providers knowing the patient's medical history.

Director Harden referenced the patient experience scores for behavioral health and asked if pet therapy was provided in the behavioral health units.

Ms. Garcia confirmed that inpatient behavioral health units were included in the pet therapy program.

3. Discuss and Review Quarterly Infection Control Metrics Dashboard

Ms. Garcia reviewed the infection control quality metrics for the first quarter of FY 2024, mentioning that all monitored metrics met the established benchmarks, including hand hygiene compliance.

Director Harden stated that she recently visited the Leapfrog website, which indicated that Valleywise Health did not meet the requirement for monitoring. She requested further information.

Ms. Garcia explained the timing and requirements for submitting the reports to Leapfrog. For the period reported on the Leapfrog website, Valleywise Health had not met the requirements, with every unit conducting at least 100 audits a quarter. A new process had been implemented to assist leaders in tracking the number of audits completed each quarter.

She highlighted the improvements related to Methicillin-resistant Staphylococcus aureus (MRSA) bacteremia infections. Staff continued to screen every patient and order decolonization, when needed, upon admission.

4. Update on Behavioral Health Programs and Services at Valleywise Health

Mr. Cavallo provided an update on behavioral health services throughout Valleywise Health, stating 80% of the licensed beds were in use, or 15 of the 18 inpatient behavioral health units. However, in mid-December 2023, Valleywise Behavioral Health-Phoenix would be operating at full capacity, due to onboarding of an additional psychiatrist.

He outlined the processes in place to manage the capacity at the different inpatient facilities, including the isolation protocols due to COVID-19, influenza, and other respiratory illnesses.

Ms. Steiner said that staff was focusing on enhancing the patient environment, including off-unit group activities. She announced that patients would be introduced to yoga in the new calendar year.

Director Harden questioned the COVID-19 testing and quarantine process.

Dr. White said the practices implemented made the inpatient environment as safe as possible. He outlined the testing and isolation protocol for the units, noting every patient was tested for COVID-19 upon admission.

Director Harden asked if COVID-19 and influenza vaccinations were offered to patients.

Ms. Steiner stated that patients were offered vaccinations during the nursing admission assessment.

Mr. Cavallo reviewed a three-year comparison of behavioral health inpatient volumes, noting the increased length of stay, currently 24.6 days, impacted the ability to admit new patients. Staff was working to improve the discharge process.

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

4. Update on Behavioral Health Programs and Services at Valleywise Health, cont.

Director Brophy McGee asked where patients were discharged to.

Mr. Cavallo said that patients were discharged to a variety of places, including other psychiatric hospitals, residential treatment centers, skilled nursing facilities, or to their home.

Ms. Steiner discussed behavioral health employee retention and turnover, highlighting a net gain of 12 registered nurses (RNs) and 60 behavioral health technicians (BHTs) over the past 12 months. In the first quarter of FY 2024, there was a net gain of 60 RNs and BHTs.

Due to the various efforts, the number of RN vacancies had dropped to 18 in September 2023, down from 47 vacancies in August 2023. One contributing factor to the reduction was the Grow Your Own program. To address the BHT shortage, staff was considering the development of a BHT specialty pool position, expanding the BHT clinical ladder, and increasing contract labor.

Ms. Steiner reviewed the capacity management and throughput plan, which included constant review of bed capacity, anticipated discharges, expected admissions, staffing challenges and the identification of strategies to improve all components.

She provided an overview of ongoing challenges, including staffing shortages throughout the healthcare industry, which contributes to not being able to admit more patients. She highlighted the success of the Sign On and Retention (SOAR) program, resulting in more experienced RNs joining the workforce.

Mr. Cavallo provided an overview of the outpatient behavioral health programs, including the Assertive Community Treatment (ACT) program. A recent article in *The Arizona Republic* detailed the importance of the program, a nationwide program that aimed to educate individuals with serious mental illnesses how to manage their lives successfully.

Mr. Purves stated that Valleywise Health's ACT team was the highest rated program in Arizona.

Mr. Cavallo added that the program also received 95.36% in a recent Mercy Care audit, the highest score ever.

The First Episode Center now had two locations; Avondale and Mesa. The primary referral source for the First Episode Centers were the inpatient behavioral health units.

Volumes within the Mesa Behavioral Health Specialty Clinic, which operated out of Valleywise Community Health Center-Mesa, continued to grow.

The Integrated Behavioral Health program continued to expand and there were now over 45 team members. Mr. Cavallo mentioned the program had unlimited growth potential.

Director Brophy McGee mentioned partnership opportunities with the Department of Child Safety, specifically with families whose children had been involved with, or were at risk of, being removed from their home. She believed the integration of primary care and behavioral health would be very beneficial and she noted that Valleywise Health was the organization to provide those services.

Mr. Cavallo stated that the primary goal in all behavioral health programs was early identification, diagnosis, and intervention. He stated Valleywise Health had received a grant related to Medication Assisted Treatment (MAT). The purpose was to provide prevention, treatment and recovery assistance to at-risk individuals battling Opioid Use Disorder (OUD).

Director Brophy McGee asked if Valleywise Health used methadone.

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

4. Update on Behavioral Health Programs and Services at Valleywise Health, cont.

Mr. Cavallo said methadone was not used in the outpatient setting, however, if a patient was admitted while undergoing methadone treatment, that treatment would continue.

He reviewed future behavioral health projects, including the expansion of outpatient behavioral health services at Valleywise Behavioral Health Centers-Mesa and Maryvale, utilizing American Rescue Plan Act (ARPA) grant funding.

Director Wilcox referenced the future behavioral health projects and asked if the Maricopa County Board of Supervisors had been updated on the progress of the various projects.

Mr. Cavallo stated that Maricopa County Assistant County Manager, Ms. Lee Ann Bohn, received regular updates related to the ongoing projects. He was also a member of the Mental Health Steering Committee and provided updates.

Director Wilcox requested that a letter or presentation outlining the progress be drafted and provided to the Maricopa County Board of Supervisors.

MOTION: Director Harden moved to recess general session and convene in executive session at 2:07 p.m. Vice Chairman Dewane seconded.

VOTE: 5 Ayes: Chairman Thomas, Vice Chairman Dewane, Director Brophy McGee,
Director Harden, Director Wilcox
0 Nays
Motion passed.

General Session, Presentation, Discussion and Action

Chairman Thomas convened general session at 2:53 p.m.

Chairman Thomas announced that agenda items 8, 9 and 10 would be discussed after agenda item 5.

5. Discuss, Review and Approve Statements of Work for the Master Services Agreement between the Maricopa County Special Health Care District dba Valleywise Health, and District Medical Group

MOTION: Director Wilcox moved to approve the Statements of Work for the Master Services Agreement between the Maricopa County Special Health Care District dba Valleywise Health, and District Medical Group. Vice Chairman Dewane seconded.

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

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

8. Consideration, Discussion and Possible Action on the Performance Evaluation for Melanie Talbot, Maricopa County Special Health Care District's Chief Governance Officer and Clerk of the Board, for Fiscal Year 2023

MOTION: Director Harden moved that based on the Board's review of Melanie Talbot's performance for the 2023 fiscal year, the Board had determined that she exceeded expectations. Vice Chairman Dewane seconded.

VOTE: 5 Ayes: Chairman Thomas, Vice Chairman Dewane, Director Brophy McGee,
Director Harden, Director Wilcox
0 Nays
Motion passed.

9. Consideration, Discussion, and Possible Action on the Performance Evaluation and Attainment of Performance Goals for Steve Purves, Valleywise Health's President & Chief Executive Officer, for Fiscal Year 2023

MOTION: Director Wilcox moved that based on the Board's review of Mr. Purves's performance for the 2023 fiscal year, the Board had determined he exceeded expectations. The Board also determined that he met minimum target set by the Board for the quality and safety goal, and for part two of the patient experience goal, and met the midpoint target set by the Board for the people engagement goal, and met the maximum target set by the Board for the learning environment goal. After excluding an unexpected \$11.9 million Arizona State Retirement System (ASRS) year-end adjustment beyond Valleywise Health's control, the Board has determined that he met the maximum target set by the Board for the financial performance goal. Vice Chairman Dewane seconded.

Director Brophy McGee stated that she met with Mr. Purves in private and he was aware of her decision.

Director Harden commented that while she agreed with the outcome of many of the goals, she disagreed with result for people engagement and the Board discretionary goal.

VOTE: 3 Ayes: Chairman Thomas, Vice Chairman Dewane, Director Wilcox
1 Nay: Director Brophy McGee
1 Abstain: Director Harden
Motion passed.

10. Election of Officers for the Board of Directors

MOTION: Director Harden moved to approve the appointment of J. Woodfin Thomas as Chair effective December 1, 2023. Vice Chairman Dewane seconded.

VOTE: 5 Ayes: Chairman Thomas, Vice Chairman Dewane, Director Brophy McGee,
Director Harden, Director Wilcox
0 Nays
Motion passed.

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

10. Election of Officers for the Board of Directors, cont.

MOTION: Director Harden moved to approve the appointment of Mark Dewane as Vice Chair effective December 1, 2023. Director Brophy McGee seconded.

VOTE: 5 Ayes: Chairman Thomas, Vice Chairman Dewane, Director Brophy McGee,
Director Harden, Director Wilcox
0 Nays
Motion passed.

NOTE: Director Wilcox exited the meeting at 3:04 p.m.

6. Discuss and Review Valleywise Health's October 2023 Financials and Statistical Information

Ms. Agnew reviewed the statistical information for October 2023. Total admissions were five percent better than budget, and emergency department visits were 7.3% better than budget.

Director Harden asked if the increased emergency department visits were attributed to respiratory illnesses.

Dr. White explained that more patients were seeking primary care in the emergency department setting and the increase was not attributed to respiratory viruses.

Ms. Agnew said ambulatory visits were 5.6% better than budget. On a year-to-date basis, total admissions missed budget by 2.6%, emergency department visits were 6.1% better than budget, and ambulatory visits were 3.7% better than budget.

She discussed the payer mix, noting the increases in uninsured and other government categories. The shifts in payer mix were partly attributed to the increase in emergency department visits. Many of those patients were uninsured and undocumented, therefore were not eligible for the state's Medicaid program, Arizona Health Care Cost Containment System (AHCCCS). However, those patients were able to utilize Federal Emergency Services (FES). Unfortunately, FES could not be applied to the ongoing medical care, as the care was no longer emergent.

Another contributing factor was the ongoing disenrollment from AHCCCS. Financial counselors assisted patients with the reenrollment process or with seeking other coverage options.

The October 2023 financial statement was reviewed. Despite significant volumes throughout the system, net patient service revenue was only 0.2% better than budget, due to the payer mix. Other revenue was 16.2% better than budget, due to the 340B program, retail pharmacy and grant foundation revenues.

Total operating expenses had a 0.2% negative variance. Contributing factors included increased expenses within salaries and wages due to more employed individuals, and distribution of payment for the SOAR program. There was a 2.1% positive variance in contract labor expenses.

Director Harden asked if staff was attempting to convert contract labor RNs to core staff.

Ms. Stotler confirmed that efforts were made and had yielded positive results.

Ms. Agnew highlighted the 59.1% positive variance for medical service fees. She explained the variance was due to an AHCCCS direct payment program to District Medical Group (DMG), offsetting Valleywise Health's fees. It would not be a recurring payment. The negative variance in supplies was attributed to pharmaceutical and surgery supply costs.

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

6. Discuss and Review Valleywise Health's October 2023 Financials and Statistical Information, cont.

She reviewed non-operating revenue and expenses, specifically grant funding to offset the SOAR expenses and investment income. Total non-operating revenue had an 8.2% positive variance.

Net assets, after factoring in non-operating revenue and expenses, and removing bond related activity, decreased by \$4,529,376, compared to a budgeted decrease of \$7,745,904, resulting in a positive variance of \$3,216,528.

Vice Chairman Dewane recalled he and staff met with the Maricopa County Treasurer to discuss adjusting the investment portfolio. He asked if there was a migration in the investment yield.

Ms. Agnew confirmed the investment yield had improved.

Ms. Agnew reviewed the year-to-date income statement, noting total operating revenues were three percent better than budget, however, total operating expenses had a 1.3% negative variance. Net assets, after factoring in non-operating revenue and expenses, and removing bond related activity, decreased by \$22,556,400, compared to a budgeted decrease of \$23,672,271, resulting in a positive variance of \$1,115,871. There were 89.8 days of cash on hand and 73.2 days in accounts receivable.

7. Update on Care Reimagined Projects

Ms. Christiansen provided an update on the Care Reimagined projects, highlighting approximately 14,173,316 accumulative manhours had been dedicated to the various projects. There were no changes to the program dashboard, which provided an overview of concerns.

She reviewed the construction progress of the new acute care hospital, noting the construction was 98% complete, while the overall project was 88% complete. She showcased photos of the current state, including the installation of medical equipment and preparations for patient move activities.

Director Harden asked if there were plans in place if it were raining on the day the patients were moved to the new acute hospital.

Ms. Christiansen stated that there were many contingency plans in place to ensure a smooth transition. She discussed the high-level patient move schedule, noting preparation for department relocation had already begun. The scheduled Day in the Life activities were designed to practice the patient move with various scenarios and solve any problems that were identified.

The patient move schedule was reviewed and she mentioned that there would soon be a volunteer sign-up portal available.

Director Harden asked if the Day in the Life activities would begin at the same time as the patient move schedule, which was 3:00 a.m.

Ms. Christiansen stated the Day in the Life activities were scheduled to begin at 6:00 a.m., however, beginning at 3:00 a.m. may be beneficial. Staff was also monitoring emergency department statistics by hour, to anticipate patient activity on the day of the move.

She outlined the various activities scheduled for the next two months, including the receipt of equipment at an off-site warehouse and the installation of laboratory automation lines to activate the clinical laboratory.

Director Harden asked when the Conference and Administration Center was scheduled to close.

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

7. Update on Care Reimagined Projects, cont.

Ms. Christiansen said the closing of the building was not yet scheduled, as there were still employees working out of that building, including DMG providers and support staff. The physician offices on the fifth floor of the Virginia G. Piper Charitable Trust Pavilion (Piper Pavilion) were nearly completed, with the move-in date anticipated for February or March 2024. As soon as a date was determined, the information would be provided to the Board.

Director Brophy McGee mentioned the complexity surrounding licensing and asked what was needed to obtain final sign-off.

Ms. Christiansen agreed that the process was complex. The scheduled opening date was April 11, 2024, and staff had commitments from those responsible, including Vanir Management and Kitchell Construction, to meet that date. There was also ongoing work with the Maricopa County inspector that was on site daily, to address any barriers that may impact that date.

Director Brophy McGee asked if there was a change to the architect's responsibility.

Ms. Christiansen explained the architect signed off on the packet submitted for licensure, affirming the building had been built to the specifications as designed and should function as designed.

11. Review and Possible Action on the Following Reports to the Board of Directors:

- a. Monthly Marketing and Communications Report (October 2023)
- b. Monthly Care Reimagined Capital Purchases Report (October 2023)
- c. Monthly Valleywise Health Employee Turnover Report (October 2023)
- d. Quality Management Council Meeting Minutes (October 2023)
- e. Quarterly Compliance Officer's Activities Report; Annual System-Wide Compliance Education Results; Valleywise Health's Finance, Audit and Compliance Committee Activities Report
- f. Quarterly Valleywise Health Foundation's Report to Valleywise Health's President & Chief Executive Officer
- g. Valleywise Health Community Health Needs Assessment Report for 2023-2025

Director Harden addressed item 11.c., Valleywise Health Employee Turnover Report, and questioned when the ADP conversion would be completed.

Ms. Lara-Willars said the ADP conversion was scheduled to be completed on December 20, 2023.

12. Concluding Items

- a. Old Business:

August 23, 2023

Care Reimagined

Provide a list of the licensing requirements and steps to be taken leading up to the move to new tower including the estimated timeline for each requirement

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

12. Concluding Items, cont.

a. Old Business, cont.:

June 28, 2023

Care Reimagined Update

When projects are complete, compose a letter from the Board, outlining everything that was accomplished/made possible, and send to stakeholders

Marketing and Communications Report

Have a ceremony for the launch of the mobile health unit

May 24, 2023

April 2023 Financials

How will fixed costs change (old facilities vs new facilities); include the change in utility costs and maintenance costs

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

Ms. Talbot reiterated the requests that were made throughout the meeting. She reviewed old business, noting the item that had been completed, as well as the items that were ongoing.

Dr. Barker addressed the old business from June 28, 2023, related to holding a ceremony to launch the mobile health unit. She announced that a driver for the unit had been hired and staff was in the process of obtaining licensing. The mobile health unit was anticipated to be operational in early January 2024.

Chairman Thomas said he attending the tagline unveiling event, which was well attended. The Valleywise Health tagline was "You're More to Us".

Mr. Purves mentioned that Board approved the annual audit through the consent agenda. He expressed his appreciation to the Ms. Agnew and the finance team for their work in compiling the information. He also thanked the volunteer members of the Finance, Audit and Compliance Committee for their oversight.

He announced that Ms. Amanda De Los Reyes contributed to an article that recently appeared on the news website *Axios*, highlighting issues with Medicaid redetermination process.

The Valleywise Health Foundation was set to host the dedication of the Piper Pavilion on Thursday, November 30, 2023.

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Adjourn

MOTION: Director Harden moved to adjourn the November 21, 2023, Maricopa County Special Health Care District Board of Directors Formal and Executive Session meeting. Vice Chairman Dewane seconded.

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

Meeting adjourned at 3:48 p.m.

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