

Minutes

**Maricopa County Special Health Care District
Board of Directors Meeting
Valleywise Health Medical Center
January 26, 2022
1:00 p.m.**

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

Others Present: Steve Purves, FACHE, President & Chief Executive Officer – *participated remotely*
Michael D. White, MD, MBA, Executive Vice President, Chief Clinical Officer – *participated remotely*
Claire Agnew, CPA, MBA, Executive Vice President, Chief Financial Officer – *participated remotely*
Lia Christiansen, MBC, Executive Vice President, Chief Administrative Officer – *participated remotely*
Ijana Harris, JD, Assistant General Counsel – *participated remotely*
Sherry Stotler, RN, MSN, Senior Vice President, Chief Nursing Officer – *participated remotely*
William D. Dachman, MD, Chief of Staff – *participated remotely*

Guest Presenters: Nate Lowrie, Valleywise Health Foundation, Chief Executive Officer – *participated remotely*
John Hoopes, Valleywise Health Foundation Board of Directors, Chairman – *participated remotely*
Crystal Garcia, RN, Vice President, Surgical, Specialty, Quality and Safety – *participated remotely*
Warren Whitney, MBA, Senior Vice President, Government Relations – *participated remotely*
Michael Fronske, Legislative and Governmental Affairs Director – *participated remotely*
Runjhun Nanchal, MHA, Senior Vice President, Strategy, Marketing and Communications – *participated remotely*
L.T. Slaughter, CPA, MBA, Chief Compliance Officer – *participated remotely*

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

Call to Order:

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

Roll Call

Ms. Talbot called roll. Following roll call, it was 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 Gerard joined the meeting shortly after roll call.

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

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Call to the Public

Chairman Wilcox called for public comment.

Ms. Stotler announced that Valleywise Health received a five-year recertification for the Occupational Safety and Health Administration (OSHA) Voluntary Protection Program. She presented Chairman Wilcox with the recertification plaque and expressed appreciation to Valleywise Health staff for providing a safe environment for employees and patients.

NOTE: Director Gerard joined the meeting at 1:03 p.m.

Chairman Wilcox congratulated Valleywise Community Health Center-North Phoenix for being named the fiscal year (FY) 2021 Clinic of the Year. The clinic demonstrated an increase in volumes and received high patient satisfaction scores. She recognized the clinic leadership, Dr. Joshi and Ms. Armburst, and thanked the entire staff for their excellent work.

She announced the January 24, 2022 opening of the newest facility, Valleywise Community Health Center-Mesa. She added that the facility was conveniently located near the light rail and offered behavioral health services for those with Serious Mental Illness (SMI).

Mission Statement

Chairman Wilcox 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 November 23, 2021
 - ii. Approve Maricopa County Special Health Care District Board of Directors meeting minutes dated December 15, 2021
 - b. Contracts:
 - i. Approve amendment #4 to the agreement (90-14-074-5-04) between Prometheus Laboratories and the Maricopa County Special Health Care District dba Valleywise Health, for lab testing services
 - ii. Approve a new agreement (90-22-114-1) between the Arizona Department of Health Services (ADHS) and the Maricopa County Special Health Care District dba Valleywise Health, for human immunodeficiency virus (HIV) testing services
 - iii. Approve a new intergovernmental agreement (IGA) (90-22-118-1) between the City of Phoenix, for and on behalf of the Phoenix Fire Department, and the Maricopa County Special Health Care District dba Valleywise Health, for a clinical training agreement
 - iv. Approve amendment #53 to the professional services agreement (90-12-084-1-53) between District Medical Group and the Maricopa County Special Health Care District dba Valleywise Health

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

1. Approval of Consent Agenda, cont.:
 - b. Contracts, cont.:
 - v. Approve amendment #54 to the professional services agreement (90-12-084-1-54) between District Medical Group and the Maricopa County Special Health Care District dba Valleywise Health
 - vi. Approve a new agreement (MCO-20-024-MSA) between Imperial Insurance Companies, Inc. and the Maricopa County Special Health Care District dba Valleywise Health, for the provision of comprehensive healthcare services
 - vii. Approve a new intergovernmental agreement (IGA) (90-22-154-1) between Arizona Department of Health Services and the Maricopa County Special Health Care District dba Valleywise Health, for temporary dialysis services expansion
 - viii. Approve a new cooperative agreement (90-22-155-1) between JAR Capital Group Inc. dba Quality Vans and Specialty Vehicles, and the Maricopa County Special Health Care District dba Valleywise Health, for the purchase of a mammography mobile unit and a COVID-19 mobile medical unit, funded by the American Rescue Plan Act
 - c. Governance:
 - i. Approve Health Resources and Services Administration grant application for \$680,985 for Ryan White Part D, Women/Infant/Children/Youth, to provide health care services to patients with human immunodeficiency virus
 - ii. Approve appointment of Susan Lara-Willars as Valleywise Health’s Senior Vice President and Chief Human Resources Officer, effective February 7, 2022
 - iii. Approve a no objection letter to the proposed property tax reclassification of real and personal property of Sunlit Arizona, LLC, to be located within foreign trade zone no. 75
 - iv. Approve Valleywise Health Foundation’s ALL IN Campaign donor recognition request
 - d. Medical Staff:
 - i. Approve Valleywise Health’s Medical Staff credentials for December 2021 and January 2022
 - ii. Approve Valleywise Health’s Allied Health Professional Staff credentials for December 2021 and January 2022
 - iii. Approve proposed revisions to policy 39026 T: Operational Credentialing
 - iv. Approve proposed revisions to policy 43374: Valleywise Health Medical Staff Glossary
 - v. Approve proposed revisions to policy 31201 T: Medical Staff Rules & Regulations

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

1. Approval of Consent Agenda, cont.:
 - e. Care Reimagined Capital:
 - i. INTENTIONALLY LEFY BLANK
 - f. Capital:
 - i. Approve capital expenditure request (CER #22-421) for the purchase of an endoscopic ultrasound, for a total cost of \$316,722
 - ii. Approve capital expenditure request (CER#22-431) for the purchase of eight acute care invasive mechanical ventilators, for a total cost of \$288,800

Director Harden requested to remove items 1.b.iv. and 1.f.i. from the consent agenda, to be discussed and voted on separately.

Ms. Talbot noted item 1.b.vii. would be removed from the consent agenda and would not be discussed.

MOTION: Vice Chairman Thomas moved to approve the consent agenda minus items 1.b.iv., 1.b.vii., and 1.f.i. Director Dewane seconded.

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

Ms. Agnew addressed item 1.b.iv., amendment #53 to the professional services agreement between District Medical Group (DMG) and the Maricopa County Special Health Care District dba Valleywise Health. She noted an error included in the information provided, specifically related to the vascular call expense. The expense for the term of the amendment was \$96,000, not \$8,000. The total annual value of the amendment was \$953,666.

MOTION: Director Harden moved to approve consent agenda item 1.b.iv., amendment #53 to the professional services agreement between District Medical Group and the Maricopa County Special Health Care District dba Valleywise Health, with the correction of the total expense related to vascular call coverage to \$96,000, for a total annual value of the amendment of \$953,666. Vice Chairman Thomas seconded.

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

Director Harden addressed item 1.f.i., a capital expenditure request for the purchase of an endoscopic ultrasound, and requested clarification on the cost, as two different amounts were provided.

Ms. Stotler confirmed that the amount of the capital expenditure request was \$316,721.67.

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

1. Approval of Consent Agenda, cont.:

MOTION: Director Harden moved to approve consent agenda item 1.f.i., capital expenditure request for the purchase of an endoscopic ultrasound, for a total expense of \$316,721.67. Vice Chairman Thomas seconded.

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

2. Presentation on Valleywise Health Foundation's 2022 Philanthropic Roadmap and Budget

Mr. Hoopes stated the partnership between the Maricopa County Special Health Care District and the Valleywise Health Foundation was governed by the Cooperative Services Agreement (CSA). He acknowledged the CSA was a great benefit to both the Foundation and Valleywise Health. He highlighted the Foundation's achievements throughout calendar year (CY) 2021, including the expansion of their Board of Directors, the success of the ALL IN campaign, and the continuation of the Emerging Leaders program.

He reviewed the financial achievements throughout the calendar year, including the increase in gift size per donor. He acknowledged a major gift from the Halle Foundation, including naming rights to the Arizona Burn Center. The Foundation was also recognized by the Virginia G. Piper Foundation for assisting Valleywise Health during the COVID-19 pandemic and granted an unsolicited gift of \$2.5 million.

The Foundation raised approximately \$13 million in revenue, increased their presence in the community through social media efforts, and exceeded the benchmarks included in the CSA.

Chairman Wilcox expressed her appreciation to the Foundation for their support throughout the year.

Mr. Lowrie provided an overview of the Foundation's sustained growth, due to the CSA and the support provided through that agreement. Goals for the upcoming year included raising \$7.5 million in revenue and providing more than \$5.2 million in support to Valleywise Health. He mentioned the Foundation was transitioning their focus to increase major gifts and grant opportunities through building their Circles of Influence and continuing the Emerging Leaders program.

He expressed gratitude to the District Board of Directors and Valleywise Health leadership for their assistance in growing the Foundation year over year.

3. Valleywise Health's Response to COVID-19

Dr. White stated the first case of COVID-19 presented in Arizona was two years ago, on January 26, 2020. Since that time, Valleywise Health had treated nearly 4,000 COVID-19 patients and over 400 patients had succumbed to complications of the virus.

Throughout the COVID-19 pandemic, Valleywise Health's staff appropriately responded to the transformation of healthcare delivery to provide safe and effective care to the community. As the pandemic continued, new guidelines and regulations were introduced often, and staff was phenomenal in their response.

He explained that the current variant, Omicron, caused more infections and spread much faster than the original strain of the virus. He anticipated that due to heightened infection rates, increased hospitalizations would occur.

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

3. Valleywise Health's Response to COVID-19, cont.

Dr. White commended staff for their resilience and for continuing to fulfill the organization's mission to provide exceptional care, without exception, every patient, every time.

Chairman Wilcox requested clarification on the current recommendations from the Centers of Disease Control and Prevention (CDC), should someone test positive for COVID-19.

Dr. White noted the CDC recommendations were recently revised, as transmission of the new variant occurred faster than previous variants. Therefore, COVID-19 positive individuals were to quarantine for at least five days. After the initial five-day quarantine period, if an individual was asymptomatic or their symptoms were progressing, the individual no longer needed to isolate; however, it was recommended that individuals wear a well-fitting mask when interacting with others, for an additional five days.

Mr. Purves conveyed his appreciation for Dr. White's leadership throughout the COVID-19 pandemic, not only internally, but for being a resource for the community. Dr. White was instrumental in the establishing the incident command and continuously provided encouragement and support to the frontline staff.

Director Harden asked if Valleywise Health allowed staff to return to work after receiving a positive test result, should the employee be asymptomatic or mildly symptomatic.

Dr. White acknowledged the CDC regulation that permitted organizations to allow employees to return to work. Upon review it was decided that the recommendation was not conducive to Valleywise Health practices. If an employee tested positive for COVID-19 with symptoms, the individual was encouraged to stay home, rest, and not return to work until the symptoms improved.

4. Review and Discuss American College of Surgeon's National Surgical Quality Improvement Program (NSQIP) data

Ms. Garcia reviewed the American College of Surgeon's (ACS) National Surgical Quality Improvement Program (NSQIP). She explained the program used clinical data, as opposed to administrative data, and outcomes were assessed thirty days after surgery. To ensure data was gathered consistently, a surgical reviewer was trained and assigned to work with a physician partner, known as the surgeon champion.

The data was gathered for preoperative, intraoperative, and postoperative, with two reports being generated with the data. The first was an interim semi-annual report, with the second being the semi-annual report. She noted the two reports overlapped to allow opportunities for improvement to be identified and addressed.

She explained the importance of all hospitals extracting data consistently, so the data is reliable. She reviewed the results of the first quarter of fiscal year (FY) 2022 postoperative occurrences, noting that the superficial, deep, and organ space surgical site infection metric did not meet the benchmark, however, the rates were improving. She elaborated on the variations of surgical site infection categories.

The 30-day unplanned return to the operating room did not meet the benchmark for the first quarter, which was due to information included in the documentation and a process improvement plan was underway to improve the metric.

Ms. Garcia stated that to promote overall success, the NSQIP program was a multi-disciplinary effort, which included quality management, hospital administration, and clinical providers.

Chairman Wilcox asked if the decline in surgery cases, due to the COVID-19 pandemic, impacted the results.

Ms. Garcia said that Valleywise Health was able to meet the total case numbers needed to gather the data, despite the decline in surgical cases.

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

5. Discuss and Review Valleywise Health's November and December 2021 Financials and Statistical Information, and Quarterly Investment of Funds Report

Ms. Agnew reviewed the unusual items for November 2021, which improved the decrease in net assets by over \$1.8 million. There were 38 surge nurses at no cost to the organization, as well as the receipt of \$466,247 in provider relief funds as part of the American Rescue Plan. Valleywise Health Foundation also provided \$50,000 in relief and the organization recorded the proceeds from the sale of the former Valleywise Community Health Center-EI Mirage building.

She outlined the income statement for November 2021 and stated that regulation changes within the 340B program negatively impacted revenues and expenses. Staff worked with a third-party administrator and a 340B specialist to address the new regulations. She noted funds from the American Rescue Plan had not been received, as budgeted, creating a negative variance within other revenue.

Ms. Agnew explained the negative variance within salaries and wages was attributed to extra shift incentive, overtime paid, and the unbudgeted merit increases awarded to employees at the beginning of the fiscal year. There was a negative variance in contract labor due to the staffing shortages throughout the organization.

Total operating revenue was better than budget by 11% and total operating expenses missed budget by 8.8%, resulting in a decrease in net assets of \$5,664,465 compared to a budgeted loss of \$3,089,942.

Ms. Agnew reviewed the statistical information for December 2021, noting an overall decline in admissions, which was related to an increase in COVID-19 patients and staff shortages. She mentioned an increase length of stay within the behavioral health and acute settings due to the inability to discharge patients to an external facility, also due to staffing shortages.

Overall emergency department visits did not meet budget, however there was increased activity at Valleywise Emergency Department-Maryvale. Unfortunately, increased diversion time at the Roosevelt Campus resulted in decreased emergency department visits.

Chairman Wilcox asked if the increased diversion at the Roosevelt Campus was due to COVID-19.

Ms. Agnew explained there were multiple contributing factors, including staffing challenges, and the higher nursing ratio within the COVID-19 units.

Chairman Wilcox asked if other hospitals were experiencing similar issues.

Dr. White confirmed that many hospitals were in the same situation. He worked closely with local agencies to inform the public about where to receive the appropriate level of care, as many individuals presented to the emergency department with non-emergent ailments.

Ms. Agnew mentioned an overall decline in ambulatory visits, due in part to staffing shortages within specialty services and providers contracting COVID-19.

She reviewed the payer mix for December 2021, noting increases in other government payers, Medicare, and uninsured, with a decrease in Medicaid or Arizona Health Care Cost Containment System (AHCCCS). She explained the circumstances for the shifts in payer sources.

She referenced the Kronos system outage, which was the time management system used by the organization. The outage impacted the ability to generate specific financial reports.

Ms. Agnew reviewed the unusual items for December 2021, including the use of 38 surge nurses and receipt of \$29,494 in COVID-19 related subsidies from Health Resources and Services Administration (HRSA).

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

5. Discuss and Review Valleywise Health's November and December 2021 Financials and Statistical Information, and Quarterly Investment of Funds Report, cont.

Ms. Agnew outlined the income statement for December 2021, noting the decrease in surgical cases and patient admissions. However, total operating revenue was better than budget by 11.1% due to a review and adjustments made within the reserves. Operating expenses missed budget by 11.1%, as salaries and wages, contract labor, and employee benefits had negatives variances. She reiterated the Kronos outage and stated the expenses were estimates. Staff would reconcile the salary and wages data and report actual amounts when available.

For the month of December, there was a decrease in net assets of \$2,091,111 compared to a budgeted loss of \$1,762,672.

On a year-to-date basis, there was a decrease in net assets of \$34,299,876 compared to a budgeted loss of \$24,358,643, resulting in a negative variance of \$9,941,233. The unbudgeted merit increase was anticipated to be a \$20 million impact, which was near staff expectations.

Ms. Agnew mentioned the increase in days in accounts receivable and mentioned that was due to an uptick in high-dollar accounts, exceeding \$250,000. She stated many of the high-dollar accounts were associated with burn care provided.

Director Harden referred to the Kronos outage and asked if staff was confident the reconciliation of salaries and wages would be complete prior to the end of the month, so accurate W-2's would be distributed on time.

Ms. Agnew explained the tax forms were based on the amount paid to the employee through the end of 2021. If after the reconciliation, it was determined that an employee was due additional compensation, that amount would be reported in 2022.

Director Harden noted high utilization of endoscopy services at Valleywise Comprehensive Health Center- Peoria and asked if other outpatient surgery services were expected to increase at that location.

Dr. White acknowledged that outpatient surgery services were less than budgeted and he was working with the providers to maximize the utilization of the operating spaced at the location.

Director Gerard questioned if there was an update related to Valleywise Health receiving additional funds through the Coronavirus Aid, Relief and Economic Security (CARES) Act.

Mr. Purves stated that Valleywise Health was excluded from the initial distribution of CARES Act funds, due to a technicality in the accounting process. Staff had since worked with the congressional delegation and Senator Kelly to highlight the organization's need for assistance. Additional CARES Act funds were expected to be released soon, which may benefit Valleywise Health. There were also discussions with the Governor's Office and AHCCCS related to directing provider assessment funding to Valleywise Health.

He noted that staff was also working with hospital associations and the congressional staff.

Director Gerard asked if Senator Sinema had been involved.

Ms. Whitney noted that Senator Sinema was supportive of Valleywise Health, however, Senator Kelly may be more influential in this matter.

Director Gerard asked if there was cooperation on the local level, from the Governor's Office.

Mr. Whitney said that there was a request for funds submitted to the Governor's Office and the State that resulted in a meeting with the budget director. The request had been neither accepted nor denied. Staff would continue to advocate for their consideration.

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

5. Discuss and Review Valleywise Health's November and December 2021 Financials and Statistical Information, and Quarterly Investment of Funds Report, cont.

Mr. Purves stated that the congressional delegation had been supportive of Valleywise Health, with Congressmen Gallego offering his support.

Ms. Agnew explained how the upcoming funding opportunities may be calculated and because Valleywise Health's amounts were significant, it may cause delays in distribution. Because Valleywise Health was not included in the initial distribution of relief, it may benefit the organization in the upcoming distribution.

6. Update on Valleywise Health's Pilot Paid Time Off Cash-Out Program and Budget Ramifications

Ms. Agnew provided information related to the paid time off (PTO) cash-out pilot program. She explained the data was separated into two categories; employees that had more than 240 PTO hours and employees that had less than 240 PTO hours. There were 200 employees that participated in the program, with 60% of participants having over 240 PTO hours. While employees had the option to cash-out 40, 60, or 80 hours, the average amount selected was 68 hours.

She outlined costs associated with the program, noting the net cost for employees with over 240 PTO hours was considered a new expense and included benefit expenses. For those that had less than 240 PTO hours, the net cost did not include the benefit expense and the organization was able to reduce the accrual expense from the balance sheet. The total net cost of the program was \$359,530.

Due to the Kronos outage, the payment for the program was processed through manual checks. She stated that she received positive feedback and several employees asked whether the program would continue. There was no mention or pushback related to the program paying at 75% of the employee's regular rate.

Ms. Christiansen stated that she also received only positive feedback related to the program.

Chairman Wilcox was pleased that the program was well received. She asked if staff had any recommendation on how to move forward with the program.

Ms. Christiansen said that due to the rapid implementation of the program, there was a chance that not all employees that wished to participate were able to do so. Ideally, employees would be able to take time off throughout the year, however, circumstance may prevent staff from taking time off. Before recommendations could be made, staff needed additional information. She would like to discuss options with the incoming Chief Human Resources Officer, who was scheduled to begin working at Valleywise Health in early February 2022.

Director Harden asked how many employees were eligible to participate in the program.

Ms. Agnew reviewed the parameters for participation, which stated that after participating in the program, employees had to have 100 PTO hours remaining. Given those parameters, she was unsure how many employees were eligible to participate in the program. She would provide that information to the Board. Under normal circumstances, a new program such as this would have an extended timeframe for employees to opt in.

Director Harden understood staffing shortages and the increase in COVID-19 patients prevented some staff from taking time off. She recommended offering employees an option to cash-out PTO or roll the hours in excess of 240 to the following year. She was also concerned with paying out the hours at a discounted rate.

Chairman Wilcox reiterated that the pilot appeared to be successful, however, she recommended employees be asked how they would prefer to manage their PTO balances, whether it be a cash-out or roll over option.

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

5. Discuss and Review Valleywise Health's November and December 2021 Financials and Statistical Information, and Quarterly Investment of Funds Report

Ms. Agnew highlighted the investment performance for FY 2022, noting a change in practice had yielded positive results, for both operating and bond related investments.

7. Discussion and Possible Action on Valleywise Health's 2022 Legislative Agenda and/or the Maricopa County Special Health Care District's position regarding proposed State and Federal legislative items

Mr. Fronske reviewed the current statistics of the legislative session, noting that the Governor released a \$1.43 billion budget on January 14, 2022. While there was no new health related funding in the released budget, \$26 million was included for an accelerated nursing academy with Creighton University, as well as \$132.5 million in tax cuts.

There were 65 bills sent to staff for comment, as those bills may impact the organization, and an additional 35 bills being monitored. Of those bills, he requested the ability to support House Bill (HB) 2157, which would allow for the spending authority to expand community-bases services. He also requested the ability to support HB 2551, the children's health insurance redetermination period, which would move the redetermination period to one year, instead of six months, allowing children to stay insured.

Mr. Fronske requested the ability to oppose various bills, including Senate Bill (SB) 1021, a health care liens limitation bill, as it would have a significant impact on the organization. HB 2043 would allow employees to sue employers if they experienced adverse effects from the COVID-19 vaccine; and HB 2453 was an attempt to prohibit governmental entities from requiring masks within their facility. He also sought the ability to oppose any anti-mask and anti-vaccination bills and amendments, as well as any other bills that would end the current state of emergency.

Vice Chairman Thomas asked if the proposed anti-mask and anti-vaccination bills were introduced by those within the healthcare system.

Mr. Fronske explained that members of the legislature introduced the bills, and surprisingly, the anti-mask and anti-vaccination bills had up to 20 sponsors. The healthcare industry opposed those bills, as the pandemic continued to impact communities throughout the state.

Director Harden mentioned there was proposed legislation that would transition school board positions to partisan positions. Being that the District Board of Directors was a non-partisan elected body, she asked if it were possible that transition would impact the District.

Mr. Fronske said the proposed legislation was currently specific to only school boards. While it was possible to expand to other non-partisan bodies, he had no indication that was the case yet.

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

7. Discussion and Possible Action on Valleywise Health's 2022 Legislative Agenda and/or the Maricopa County Special Health Care District's position regarding proposed State and Federal legislative items, cont.

MOTION: Vice Chairman Thomas moved to authorize staff to support and oppose bills and amendments with timely feedback to the Board, with the addition to support House Bill 2157, Supplemental Appropriations; Community-Based Services, and House Bill 2551, Children's Insurance Program; Redetermination; and oppose Senate Bill 1021, Health Care Liens; Limitations, House Bill 2043, Employer Liability; COVID-19 Vaccine Requirement, and House Bill 2453, Governmental Entities; Mask Requirements; Prohibitions; and oppose any other anti-vaccination, anti-mask bills and amendments; and oppose any bills to end the current state of emergency. Director Dewane seconded.

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

Mr. Fronske addressed the federal issues. He noted staff was working with the congressional delegation and hospital associations on key COVID-19 issues. Those issues included increased funding for essential hospitals, targeting the remaining provider relief funds to safety net providers, and avoiding premature discontinuation of financial relief for communities that the providers relied on. Staff would also continue to pursue funding specifically for Valleywise Health and review other options for financial relief.

Mr. Purves commented that over the past year, the American Hospital Association (AHA) was developing criteria to define what would be known as a Metropolitan Anchor Hospital. The criteria were similar to a safety net hospital, however, nuances within the current criteria were identified and corrected. The association would search for sponsors to introduce the legislation and he would report any progress moving forward.

9. Review and Possible Action on the Following Reports to the Board of Directors:
 - a. Monthly Marketing and Communications Report (November and December 2021)
 - b. Monthly Care Reimagined Capital Purchases Report (November and December 2021)
 - c. Monthly Valleywise Health Employee Turnover Report (November 2021)
 - d. Quality Management Council Meeting Minutes (November 2021)
 - e. Quarterly Employee Engagement Survey Action Plans
 - f. Quarterly Valleywise Community Health Centers Governing Council Membership Structure Report
 - g. Fiscal Year 2021 Non-Privileged Patient Care Competency Report

Director Harden addressed item 9.c., the Monthly Valleywise Health Employee Turnover Report, and asked if nurses were exiting the organization only to return to the organization as a traveler and receive a higher rate of pay.

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

9. Review and Possible Action on the Following Reports to the Board of Directors, cont.:

Dr. White said while some employees may have exited the organization to join a traveling agency, it was rare for a former employee to return to the organization as a traveler. There were occasional occurrences, however, it was not a trend.

Ms. Nanchal addressed item 9.a., the Monthly Marketing and Communications Report for December 2021, and highlighted Valleywise Health's share of voice from earned media as 30% for the month. That was significant, as the organization had less than four percent of the market share.

8. Annual Compliance Training and Conflict of Interest Education

Mr. Slaughter provided an overview of the Board's role in the oversight of the compliance program at Valleywise Health. To properly oversee the compliance program, the Board had to understand the healthcare environment, key regulations, changes in the healthcare market, and the various nuances involved. A risk assessment was required to identify issues to address and mitigate those concerns through a process of support from the Board, management oversight, and various committees. The risk assessment also monitored the organization's compliance with regulations required from numerous regulatory agencies.

He outlined the top risk changes for Valleywise Health in 2022, including pandemic impact such as burnout, employee vacancies, and process changes. A new regulation, the No Surprise Act, protected people covered under group or individual health plans from receiving surprise medical bills when treated by an out-of-network provider or facility.

A key element to an effective compliance program was the Board acting in good faith and ensuring that an adequate corporate information and reporting system was in place. He provided an overview of the main business units within Valleywise Health, along with the major payers and sources of revenue. There were internal processes in place to monitor each department as it related to the overall performance of the organization. Included in the Valleywise Health model were the Federally Qualified Health Center (FQHC) Clinics, which were governed by the Valleywise Community Health Centers Governing Council through the Co-Applicant Operational Agreement between Maricopa County Special Health Care District and the Valleywise Community Health Centers Governing Council.

The Enterprise Risk Management was a process to identify risk, prioritize and score risks, and respond to risk by implementing action plans. Mr. Slaughter outlined the internal controls used, a system-based preventative control, which consisted of strong information technology (IT) security.

He outlined the elements of an effective compliance program and highlighted how Valleywise Health addressed each element, including reviewing the Code of Conduct and Ethics on an annual basis, as well as policies and procedures throughout the organization. He highlighted the continued effort to achieve nearly 100% of employees, medical residents, physicians, and contract medical providers completion of the necessary compliance training.

He provided an overview of other compliance regulations and key issues, such as Conflict of Interest, Anti-Kickback Statute, Stark Law, False Claims Act and the Health Information Portability and Accountability Act (HIPAA).

Mr. Slaughter explained the Emergency Medical Treatment and Active Labor Act (EMTALA) and named the Valleywise Health facilities that were emergency department or dedicated emergency departments. All of which were affected by EMTALA. All patients that present to a dedicated emergency department needed to be logged, screened, and stabilized to comply with EMTALA regulations.

He reviewed the Deficit Reduction Act and noted Valleywise Health was deemed 100% compliant through an audit conducted in 2021.

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

8. Annual Compliance Training and Conflict of Interest Education, cont.

Mr. Slaughter concluded that Valleywise Health proactively mitigated risks by implementing an effective compliance program, conducting risk assessments, having internal audits, reviewing policies and procedures, designating a compliance officer, privacy officer and information security officer, implementing corrective actions, communication well and expecting the best for the employees.

Chairman Wilcox asked if there were potential risks that could impact the organization.

Mr. Slaughter noted the high turnover rate could affect the organization; however, all new employees were provided comprehensive compliance training so they could do their jobs appropriately.

Director Harden appreciated the continued effort to achieve nearly 100% of employees complete the required compliance training. She referred to the Code of Conduct and Ethics and asked if there was zero tolerance for sexual harassment and bullying within the organization.

Mr. Slaughter stated that all employees were required to act appropriately and professionally. Expectations were included in the Code of Conduct and Ethics and employees received continuous training on the subject matter.

Mr. Purves added that inappropriate behavior within the organization would not be tolerated.

Vice Chairman Thomas asked if the Government Accountability Office (GAO) was involved in compliance regulation.

Mr. Purves said that the organization primarily interacted with the Office of Inspector General, however, the GAO's involvement could center on the review of business practices or other reporting issues.

Chairman Wilcox referenced the importance of cybersecurity and asked if Valleywise Health reviewed cybersecurity capabilities for all third-party vendors with access to the organization's databases.

Mr. Slaughter reviewed the process of interacting with third-party vendors, including the need for a business association agreement, the requirement for specific cybersecurity levels outlined in contracts, and a detailed security assessment. There was also an independent audit of their general and specific application controls. He noted the he contracts outlined the communication expectations, should a breach occur.

10. Concluding Items

a. Old Business:

June 23, 2021

Reports to the Board – Monthly Employee Turnover Report

- Report on employee satisfaction related to transitions to new facilities and return-to-work efforts

November 23, 2021

Infection Control Quality Metrics Dashboard

- Provide number of colon surgeries performed in September 2021

Financial and Statistical Information

- Separate the statistic for pediatric patients transferred from Valleywise Emergency Department-Maryvale to Valleywise Health Medical Center operating room

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

10. Concluding Items, cont.

a. Old Business, cont.:

November 23, 2021, cont.

Employee Turnover Rates and Retention Efforts

- Provide a report on the results of actions taken to reduce turnover/increase retention
- Feedback on the pilot 'PTO cash-out' program and budget ramifications
- Report on employee satisfaction related to return-to-work efforts

Board Member Requests for Future Agenda Items or Reports

- Discussion on the current statistics related to the COVID-19 pandemic, including the outcome of the vaccination mandate implemented in 2021

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. Christiansen referred to a question asked during agenda item 6 discussion, the Valleywise Health Pilot Paid Time Off Cash-Out Program. There were 867 employees eligible to participate in the program. Of those, 320 employees had over 240 hours in their PTO bank, and 547 employees had less than 240 hours.

Ms. Agnew stated that 23% of all eligible employees participated in the program.

Chairman Wilcox asked if all eligible employees were notified of the program opportunity.

Ms. Christiansen explained that through the communication plan, all employees received information on how to participate, regardless of eligibility status.

Ms. Talbot reviewed old business, noted the items that were addressed, and reiterated outstanding items.

Vice Chairman Thomas shared his experience of attending the Clinic of the Year ceremony at Valleywise Community Health Center-North Phoenix. He commented that the inclusion of the community room was an outstanding component of the new facilities.

Mr. Purves stated that the opening of Valleywise Community Health Center-Mesa was featured on a local news outlet and encouraged the Board to view the segment at their leisure.

Ms. Agnew expressed her appreciation to the employees within IT, human resources, and finance departments for their dedication during the recent Kronos outage. Their hard work ensured that all Valleywise Health employees were paid as accurately as possible during the outage.

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Adjourn

MOTION: Vice Chairman Thomas moved to adjourn the January 26, 2022 Maricopa County Special Health Care District Board of Directors Formal Meeting. Director Harden seconded.

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

Meeting adjourned at 3:48 p.m.

Mary Rose Garrido Wilcox, Chairman
Maricopa County Special Health Care District
Board of Directors