

Minutes

**Maricopa County Special Health Care District
Board of Directors Meeting
Valleywise Health Medical Center
Conference and Administration Center, Auditoriums 1 through 4
March 23, 2022
1:00 p.m.**

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

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
Martin C. Demos, JD, Senior Vice President, General Counsel
Sherry Stotler, RN, MSN, Senior Vice President, Chief Nursing Officer
David E. Brodtkin, MD, Chief of Staff – *participated remotely*

Guest Presenters: Crystal Garcia, RN, Vice President, Surgical, Specialty, Quality and Safety
Kelly Summers, CHCIO, Senior Vice President, Chief Information Officer
Michael Fronske, Legislative and Governmental Affairs Director
Matthew Meier, Vice President, Financial Services
Susan Lara-Willars, MCS, MBA, Senior Vice President, Chief Human
Resources Officer
Runjhun Nanchal, MHA, Senior Vice President, Strategy, Marketing and
Communications

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

Call to Order:

Chairman Wilcox called the meeting to order at 1:01 p.m.

Roll Call

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

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

Pledge of Allegiance

Mr. Fronske led the Pledge of Allegiance.

**Maricopa County Special Health Care District Board of Directors
Meeting Minutes – General Session – March 23, 2022**

Call to the Public

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

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 February 23, 2022
 - b. Contracts:
 - i. Approve a new agreement (MCO-20-025-MSA) between Aetna Network Services, LLC and the Maricopa County Special Health Care District dba Valleywise Health, for the provision of comprehensive health services
 - ii. Approve a new agreement (MCO-20-026-MSA) between Aetna Network Services, LLC and the Maricopa County Special Health Care District dba Valleywise Health, for the provision of comprehensive health services
 - iii. Approve amendment #3 to the agreement (MCO-20-001-03) between United Healthcare Insurance Company and the Maricopa County Special Health Care District dba Valleywise Health, for the provision of comprehensive healthcare services including medical inpatient and outpatient hospital services, Federally Qualified Health Center medical and behavioral clinics, and professional services for the Navigate narrow network product
 - iv. Approve amendment #56 to the professional services agreement (90-12-084-1-56) between District Medical Group and the Maricopa County Special Health Care District dba Valleywise Health
 - v. Approve amendment #1 to the intergovernmental agreement (MCO-20-014-01) between Arizona State Hospital and the Maricopa County Special Health Care District dba Valleywise Health, to add professional reimbursement rate and the COVID-19 vaccination requirement to the agreement
 - c. Governance:
 - i. Approve the Service Area Competition (SAC) application funding opportunity #HRSA-22-008 to Health Resources and Services Administration (HRSA)
 - ii. Approve the Maricopa County Special Health Care District's Employee Benefits Program for Fiscal Year 2023
 - iii. Approve a no objection letter to the proposed property tax reclassification of real and personal property of Project Raven, to be located within foreign trade zone no. 277

**Maricopa County Special Health Care District Board of Directors
Meeting Minutes – General Session – March 23, 2022**

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

1. Approval of Consent Agenda, cont.:
 - c. Governance, cont.:
 - iv. Authorize Valleywise Health Psychiatry Chair to be named affected party in Amicus Brief filed by the Maricopa County Attorney's Office: IN RE Pima County Mental Health No. 20200860221
 - v. Approve a new purchase and sale agreement and joint escrow instructions (90-22-201-1) between the Salvation Army and the Maricopa County Special Health Care District dba Valleywise Health, for approximately 2.42 acres located at 4011 North 51st Avenue, Phoenix, Arizona
 - d. Medical Staff:
 - i. Approve Valleywise Health's Medical Staff credentials for March 2022
 - ii. Approve Valleywise Health's Allied Health Professional Staff credentials for March 2022
 - iii. Approve proposed revisions to policy 39011 T – Allied Health Professionals
 - iv. Approve proposed revisions to policy 39022 T – Medical Staff Organizational Manual
 - v. Approve proposed revisions to Plastic Surgery Privileges
 - vi. Approve Global Advanced Practice Clinician Non-Core Special Procedure: Botox Injections for Chronic Migraines Privileges
 - vii. Approve Global Non-Core Botox Injections for Chronic Migraines Privileges
 - e. Care Reimagined Capital:
 - i. INTENTIONALLY LEFT BLANK
 - f. Capital:
 - i. Approve a capital expenditure request (CER # 22-435) for a new roofing system and envelope improvements at Valleywise Comprehensive Health Center - Phoenix, for a total cost of \$425,000

Director Harden requested items 1.b.i., 1.b.ii., 1.d.iii., and 1.f.i. be removed from the consent agenda, to be discussed and voted on separately.

MOTION: Vice Chairman Thomas moved to approve the consent agenda minus items 1.b.i., 1.b.ii., 1.d.iii., and 1.f.i. Director Gerard seconded.

VOTE: 5 Ayes: Chairman Wilcox, Vice Chairman Thomas, Director Dewane, Director Gerard, Director Harden

0 Nays

Motion passed.

**Maricopa County Special Health Care District Board of Directors
Meeting Minutes – General Session – March 23, 2022**

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

1. Approval of Consent Agenda, cont.:

Director Harden referenced agenda items 1.b.i. and 1.b.ii., agreements between Aetna Network Services and the Maricopa County Special Health Care District, dba Valleywise Health, and said the contract numbers on the agenda were inconsistent with the information provided to the Board. She asked if the information had to be corrected prior to the Board acting on the items.

Chairman Wilcox directed staff to address the concerns associated with the removed consent agenda items, and the Board would discuss the matters later in the meeting.

2. Discuss Patient Safety at Valleywise Health

Ms. Garcia outlined the roles and responsibilities of the Patient Safety Program Manager position at Valleywise Health. The individuals within that role were integral to the Quality Management department, as they provided leadership and expertise in the ongoing efforts toward quality and patient safety improvements throughout the organization.

She stated the Patient Safety Program Manager served as a primary resource in leading and facilitating analyses, regulatory reviews, and risk assessments, including any root cause analysis (RCA). The Patient Safety Program Manager conducted at least one failure mode effect analysis (FMEA) review a year, as well as the annual patient safety risk assessment. They were responsible for performing ligature risk assessments within behavioral health, as well as educating leaders on patient safety issues and regulatory requirements.

Patient Safety Program Managers were additionally tasked with reviewing all events reported through the organization's occurrence reporting system on a daily basis and disseminating that information to the appropriate parties. The information gained from those reviews was monitored and used to identify trends. They also administered and distributed the annual culture of patient safety survey to all clinical areas of the organization.

Ms. Garcia reviewed the structure of the Quality Management department, noting an additional Patient Safety Program Manager was recently allocated and was dedicated to behavioral health. Two other Patient Safety Program Managers were assigned to acute care and ambulatory.

3. Presentation on Cybersecurity at Valleywise Health

Mr. Summers provided an overview of world affairs impacting cybersecurity, as well as the effects of cryptocurrency and ransomware-as-a-service. He reviewed the national infrastructure readiness and the protocols in place at Valleywise Health to protect the organization against external threats.

As healthcare was becoming more digital and increasing electronic transactions, exposure to cyberattacks had increased. The onset of the COVID-19 pandemic also uncovered vulnerabilities with healthcare cybersecurity protection, which increased threats.

Mr. Summers explained cryptocurrency, an untraceable, electronic monetary instrument that was not governed by any national or federal organization. Cryptocurrency was usually the requested monetary exchange used in ransomware attacks, making it difficult for law enforcement and other authorities to track.

He described ransomware-as-a-service, which provided those that were not technically advanced to gain access to sophisticated ransomware to use to exploit companies for financial gain. In 2021, there were 48 ransomware attacks targeting the healthcare sector nationwide. Within the last year, 72% of ransom incidents resulted in data leakage, including protected health information.

**Maricopa County Special Health Care District Board of Directors
Meeting Minutes – General Session – March 23, 2022**

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

3. Presentation on Cybersecurity at Valleywise Health, cont.

To address the growing cybersecurity threats, the federal government, in collaboration with the United States Department of Homeland Security, developed an organization to reduce risk to cyber and physical infrastructure. Mr. Summers had been engaged with organizations dedicated to cybersecurity for several years and had implemented policies and practices to safeguard Valleywise Health against external threats. He outlined several proactive measures that were deployed and noted the remaining challenges.

He stated that the current cyber warfare was unlike anything he had experienced throughout his career. Nation states and international organizations were now preemptively attacking others to disrupt infrastructure and services with cyberattacks. He assured the Board that the Valleywise Health information technology (IT) division was operating as proactively and diligently as possible to protect the information assets of the organization, with the resources available.

Vice Chairman Thomas asked if organizations that had been attacked by ransomware had successfully retrieved their information when the ransom was paid.

Mr. Summers said that while many organizations did not advertise that the ransom had been paid, the recovery of information was typically successful.

Chairman Wilcox asked if Valleywise Health was doing what was needed to keep up with new technology.

Mr. Summers reiterated that he and his team were being as proactive as possible, with the available resources. He was confident that Valleywise Health was performing better than most health systems.

Chairman Wilcox asked if transitioning a large portion of the workforce to work-from-home exposed the organization to greater risk.

Mr. Summer stated that the organization was proactive in developing security protocols prior to transitioning employees off-site.

Mr. Purves commended Mr. Summers and the IT division for their diligence in protecting the organization and the information of employees and patients.

4. 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 statistics of the legislative session, noting 84 bills had passed, but the Governor had signed only three bills. Of the 94 bills sent to staff for comment, only 61 bills were active, while only eight of the 41 monitored bills were active. He outlined the status of specific bills being monitored and how those bills were progressing through the process.

Mr. Fronske requested the ability to support Senate Bill (SB) 1311, the healthcare assault prevention bill. The bill would add healthcare workers as a profession included in the aggravated assault definition. He requested the ability to oppose SB 1393, a bill that would require hospitals to discharge patients whenever they asked. He noted there were exemptions included in the bill for court ordered evaluations, however, there may instances when a patient did not have the cognitive ability to safely discharge themselves. He noted other healthcare systems were also supporting SB 1311 and opposing SB 1393.

**Maricopa County Special Health Care District Board of Directors
Meeting Minutes – General Session – March 23, 2022**

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

4. 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 Senate Bill 1311; Health Care Workers, Assault; Prevention, and oppose Senate Bill 1393; Refusing Treatment; Right; Requirements. Director Gerard seconded.

VOTE: 5 Ayes: Chairman Wilcox, Vice Chairman Thomas, Director Dewane, Director Gerard, Director Harden

0 Nays

Motion passed.

Mr. Fronske reviewed the federal issues, stating staff continued to work with the congressional delegation and hospital associations on key COVID-19 relief funding. There had been no opposition in pursuing additional funds and it was a bi-partisan effort to assist Valleywise Health.

5. Discuss and Review Valleywise Health's February 2022 Financials and Statistical Information

Ms. Agnew reviewed statistical information for February 2022, noting the decline in behavioral health admissions caused overall admissions to miss budget by thirteen percent. Emergency department visits missed budget by 1.4%, due to a sharp decline in visits at Valleywise Emergency Department-Maryvale.

Chairman Wilcox asked why the visits declined at that location.

Ms. Agnew suspected the decrease in COVID-19 cases throughout the community may have resulted in fewer emergency department visits. Ambulatory visits missed budget by 4.3%, attributed to provider shortages. On a year-to-date basis, the acute admissions were better than budget, emergency department visits were better than budget and ambulatory visits missed budget by less than one percent.

She discussed the payer mix, noting the Medicaid percentage was less than budget due to the lower behavioral health admissions. The unusual items for the month included surge nurses provided by the Department of Defense, at no cost to Valleywise Health, and COVID-19 related grant subsidies.

Ms. Agnew outlined the income statement for February 2022, noting total operating revenues missed budget by \$927,062, with lower patient volumes and fewer outpatient surgeries being a contributing factor. Operating expenses had a negative 6.9% variance, due to increased labor costs, specifically contract labor rates. Non-operating expenses were better than budget because of the sale of property located in El Mirage. As a result, the decrease in net assets was \$8,776,289, compared to a budgeted loss of \$4,176,757.

On a year-to-date basis, the decrease in net assets was \$50,398,485, compared to a budgeted loss of \$33,465,408, for a \$16,933,077 unfavorable variance. There were 85.1 days of cash on hand, the number of days in accounts receivable was 79.7 days, with a number of large accounts attributing to that statistic.

Director Gerard understood the unique challenges associated with staffing shortages, specifically within behavioral health. She was also aware of the need to increase outpatient surgeries and asked what plans were in place to address those issues, as well as the substantial decrease in net assets.

Ms. Agnew confirmed that staffing shortages and the lack of outpatient surgeries were major contributing factors in the negative variances throughout the income statements. She explained that during the most recent COVID-19 peak, surgeons were transitioned to treat patients at the bedside. The focus was now on scheduling patients for needed surgeries.

**Maricopa County Special Health Care District Board of Directors
Meeting Minutes – General Session – March 23, 2022**

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

5. Discuss and Review Valleywise Health's February 2022 Financials and Statistical Information, cont.

Ms. Agnew stated that there were two unopened behavioral health units, noting 14 registered nurses and 40 behavioral health technicians were required to open a unit. There were recruitment and retention strategies in place. She assured the Board that leaders were having continuous discussions on how to increase surgeries, retain staff, and various factors that may improve the organization's financial position.

Director Gerard asked if physician shortages were a barrier in increasing outpatient surgeries.

Ms. Agnew said there were challenges associated with acquiring anesthesia providers, as well as some support staff. Staff was working District Medical Group (DMG) to ensure appropriate staff was in place to perform surgeries.

Ms. Stotler stated that due to the limited resources available, various logistical aspects had to be coordinated perfectly to begin surgical procedures.

Director Gerard asked if there were dedicated surgeons at both Valleywise Health Medical Center and Valleywise Comprehensive Health Center-Peoria.

Ms. Agnew said that the surgeons performed surgeries at both locations. Dr. White was working with DMG to acquire additional providers to be able to assign surgeons to specific locations. She mentioned DMG also contracted with other groups or organizations to provide specific services, such as pediatric and plastic surgeons, based on the need at Valleywise Health.

Director Gerard asked if Valleywise Health had the ability to seek and employ its own providers, should DMG be unable to do so. Since anesthesiologists were rarely employed by a hospital, but were usually part of a large group, she asked if Valleywise Health had contemplated contracting with that type of group for services.

Ms. Agnew said staff was working with DMG to address the anesthesia shortages, noting the rates for those services had increase dramatically.

Chairman Wilcox said that she was confident that DMG was committed to expanding the services at Valleywise Comprehensive Health Center-Peoria and requested a status report on the action plans in place to address the provider shortages at that location.

Mr. Purves said that DMG had been working with Valleywise Health to develop recruitment plans to attract surgeons, specifically for Valleywise Comprehensive Health Center-Peoria.

Vice Chairman Thomas asked if there was any apprehension from patients in scheduling their surgeries.

Mr. Purves said that the lower surgery volumes were attributed to both patient hesitation and staffing shortages.

6. Discuss and Review Fiscal Year 2023 Budget Calendar

Mr. Meier informed the Board that the budget process for fiscal year (FY) 2023 had begun and the budget calendar identified key dates. The budget was currently scheduled to be presented to the Board for review and consideration for approval in June 2022.

Ms. Talbot announced the Budget Study Session was scheduled for Thursday, June 16, 2022 at 5:00 p.m. and was open to the public.

**Maricopa County Special Health Care District Board of Directors
Meeting Minutes – General Session – March 23, 2022**

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

7. Discuss Outcomes related to Valleywise Health Employee Retention Efforts

Ms. Lara-Willars understood the growing concerns at Valleywise Health surrounding employee turnover and staffing shortages. Like cybersecurity, the current workforce challenges were unlike any that she had experienced in her career, and she speculated the pandemic was a major contributing factor. The pandemic caused healthcare, along with many other industries, to rapidly change operations, transitioning many employees to work-from-home. As a result, employers were adjusting their post-pandemic operations to attract and retain employees.

Workforce challenges included but were not limited to most of the American workforce seeking flexible work options and higher pay. In healthcare, nursing shortages had been an ongoing challenge for hospitals, now every healthcare position was in critical need.

She outlined workforce challenges specific to Maricopa County, including Phoenix's high cost of living, which was 5.1% higher than the national average due to increased home values and childcare expenses. The current living wage in Maricopa County was \$15.76 an hour, for one adult with no children, while the state's minimum was only \$12.80 an hour.

Staff was developing retention strategies by evaluating individual departments, as well as the overall organization. Focus groups were gathering information from employees and leaders within departments with high turnover rates, and leaders were developing a new exit interview process.

Ms. Lara-Willars acknowledged opportunities within leadership development and there were efforts to improve the new leader experience. There was also a review of Valleywise Health's compensation processes and policies to reduce and correct internal equity issues.

Vice Chairman Thomas recognized the focus on compensation, but asked how non-monetary benefits, such as annual leave, was factored into the overall compensation package.

Ms. Lara-Willars noted staff would be seeking tools to assist in conveying that information to employees.

Chairman Wilcox was concerned with career advancement within the organization and encouraged staff to partner with community colleges to create educational pathways to succeed at Valleywise Health.

Ms. Lara-Willars assured the Board that the recruitment staff was developing a strategy with a variety of initiatives, including partnership with local schools.

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

- a. Monthly Marketing and Communications Report (February 2022)
- b. Monthly Care Reimagined Capital Purchases Report (February 2022)
- c. Monthly Valleywise Health Employee Turnover Report (February 2022)

Ms. Christiansen addressed item 8.c., the Monthly Valleywise Health Employee Turnover Report, noting revisions to the report now included the number of new hires, terminations, and the trendline for the fiscal year. The turnover percentage had increased over the prior month as staff continued to develop strategies to improve the metric.

Ms. Lara-Willars stated moving forward, the report would include demographic information, to highlight the workforce diversity within the organization.

Chairman Wilcox asked how many positions within Valleywise Health required employees to be bilingual, and how many employees received pay differential for that skill.

**Maricopa County Special Health Care District Board of Directors
Meeting Minutes – General Session – March 23, 2022**

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

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

Ms. Nanchal addressed item 8.a., Monthly Marketing and Communications Report, and highlighted the Valleywise Health's earned media and share of voice for February 2022. Valleywise Health had garnered 18% of the earned media, behind only one other health system.

BREAK 2:38 p.m. – 2:49 p.m.

1. Approval of Consent Agenda

Mr. Demos addressed consent agenda items 1.b.i. and 1.b.ii., noting the agenda contained the correct contract numbers for consideration. The information included with the narrative was incorrect, however, that would not impede the process moving forward.

He referred to consent agenda item 1.d.i., where the policy title differed from the agenda language. That information would be clarified and presented to the Board at a later date.

Ms. Christiansen said consent agenda item 1.f.i. would not be discussed.

MOTION: Director Harden moved to approve the consent agenda items 1.b.i. and 1.b.ii.. Director Gerard seconded.

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

9. 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

Employee Turnover Rates and Retention Efforts

- Provide a report on the results of actions taken to reduce turnover/increase retention
- Report on employee satisfaction related to return-to-work efforts

February 23, 2022

Financial and Statistical Information

- Chairman Wilcox will work with staff to determine the need to meet more frequently to discuss the organization's financial challenges

Concluding Items

- Provide a report on the results of action taken to reduce turnover/increase retention in March

b. Board Member Requests for Future Agenda Items or Reports

**Maricopa County Special Health Care District Board of Directors
Meeting Minutes – General Session – March 23, 2022**

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

9. Concluding Items, cont.
 - c. Comments
 - i. Chairman and Member Closing Comment
 - ii. President and Chief Executive Officer Summary of Current Events

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

Director Gerard requested a review of the current strategic plan and discuss areas of focus that need to be adjusted moving forward.

Ms. Christiansen stated that Ms. Nanchal was beginning a strategic planning process with staff. She requested time to allow staff to finalize details and bring a strategic framework to the Board in May or June 2022.

Chairman Wilcox requested an outline of the planning process be provided to the Board in April 2022. She also requested a report related to the provider staffing shortages at Valleywise Comprehensive Health Center-Peoria.

Mr. Purves announced that Dr. White had been named as one of *Phoenix Business Journal's Most Admired Leaders for 2022*. Valleywise Health Foundation's Chief Executive Officer, Mr. Nate Lowrie was also recognized by the publication.

He highlighted ceremonial topping out event for the Support Services Building earlier in the month. He mentioned the building would house the simulation lab and other teaching spaces, as well as a dedicated Board room, and hospital support staff. He showcased a video of the event.

Vice Chairman Thomas said that he participated in a tour of the new Valleywise Health Medical Center, which was under construction. The building was set to be spectacular inside and out and would be a beautiful addition to Maricopa County and the local community. He also attended the ceremonial topping out event for the Support Services Building and was amazed by the accomplishments achieved throughout the pandemic.

Chairman Wilcox echoed the sentiment and noted the pride of the construction workers building the Valleywise Health facilities.

**Maricopa County Special Health Care District Board of Directors
Meeting Minutes – General Session – March 23, 2022**

Adjourn

MOTION: Vice Chairman Thomas moved to adjourn the March 23, 2022 Maricopa County Special Health Care District Board of Directors Formal Meeting. Director Gerard seconded.

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

Meeting adjourned at 3:04 p.m.

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