

Minutes

**Maricopa County Special Health Care District
Board of Directors Meeting
Valleywise Health Medical Center
June 22, 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*
Sherry Stotler, RN, MSN, Senior Vice President, Chief Nursing Officer – *participated remotely*
David E. Brodtkin, MD, Chief of Staff – *participated remotely*
Martin C. Demos, JD, Senior Vice President, General Counsel – *participated remotely*

Guest Presenters: Paul Dereadt, MSA, Vice President Supply Chain Operations – *participated remotely*
Gene Cavallo, MC, LPC, Senior Vice President, Behavioral Health Services – *participated remotely*
Martha Steiner, MSN-L, RN, Vice President, Behavioral Health Nursing and Clinical Care – *participated remotely*
Crystal Garcia, RN, Vice President, Surgical, Specialty, Quality and Safety – *participated remotely*
Michael Fronske, Legislative and Governmental Affairs Director – *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:

NOTE: Due to Chairman Wilcox's absence, Vice Chairman Thomas chaired the meeting until Chairman Wilcox joined the meeting.

Vice Chairman Thomas called the meeting to order at 1:02 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. Chairman Wilcox joined the meeting after roll call.

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Call to the Public

Vice Chairman Thomas called for public comment.

Ms. Agnew announced the promotion of Mr. Paul Dereadt to Vice President of Supply Chain Operations.

Mission Statement

Mr. Dereadt 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 May 25, 2022
 - b. Contracts:
 - i. Approve a new grant agreement (90-22-255-1) between the Arizona Department of Health Services (ADHS) and the Maricopa County Special Health Care District dba Valleywise Health, to provide breast and cervical cancer screenings for uninsured and underinsured women through a Well Woman Health Check Program while also implementing quality improvement initiatives
 - ii. Approve a new contract (90-22-173-1) between EAPC Architects Engineers and the Maricopa County Special Health Care District dba Valleywise Health, for consulting services for an ambulatory strategic plan and draft campus master plan
 - iii. Approve amendment #1 to the intergovernmental agreement (90-22-110-1-01) between the Arizona Department of Health Services (ADHS), Arizona Health Care Cost Containment System (AHCCCS) and the Maricopa County Special Health Care District dba Valleywise Health, to extend the support of a psychiatric residency training program at the Arizona State Hospital
 - iv. Approve amendment #2 to the intergovernmental agreement (90-22-094-1-02) between Maricopa County and the Maricopa County Special Health Care District dba Valleywise Health, to reduce the amount of American Rescue Plan Act (ARPA) funding provided for the courtroom at Valleywise Behavioral Health Center– Maryvale from \$3,200,000 to \$2,665,000
 - v. Approve a new cooperative agreement (90-22-248-1) between Sunland Asphalt and the Maricopa County Special Health Care District dba Valleywise Health, to purchase asphalt, concrete and ancillary services for the Valleywise Behavioral Health Center-Mesa parking lot project
 - vi. Approve a new master purchase agreement (90-22-267-1) between Qiagen, Inc. and the Maricopa County Special Health Care District dba Valleywise Health, to provide reagents and supplies for tuberculosis screenings and testing
 - vii. Approve amendment #58 to the professional services agreement (90-12-084-1-58) 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.:
 - viii. Approve a new order form under the subscription services agreement (90-17-057-2) between Syntellis Performance Solutions, LLC and the Maricopa County Special Health Care District dba Valleywise Health, for Axiom Software Subscription Services
 - ix. Approve amendment #4 to the agreement (MCO-20-001-04) between United Healthcare Insurance Company and the Maricopa County Special Health Care District dba Valleywise Health, for the provision of comprehensive healthcare services
 - x. Approve a new agreement (MCO-20-027) between Cigna Healthcare of Arizona, Inc. and the Maricopa County Special Health Care District dba Valleywise Health, for the provision of comprehensive healthcare services
 - c. Governance:
 - i. Authorize Withey Morris, PLC to file applications with the City of Phoenix to obtain land use entitlements for a General Plan Amendment, for Assessor Parcel No. (APN) 105-75-454, located on the northwest corner of 35th Avenue and Southern Avenue in Phoenix, Arizona, and authorize the completion and submission of related and necessary documents
 - ii. Approve the property insurance policy with Travelers Insurance Company and the premium payment of \$386,375, for a policy period July 1, 2022 through June 30, 2023
 - iii. Approve the Annual Compliance Work Plan for fiscal year 2023
 - iv. Approve the Annual Internal Audit Work Plan for fiscal year 2023
 - v. Approve a budget modification to American Rescue Plan Act funding received for Valleywise Health's Federally Qualified Health Center Clinics
 - vi. Approve amendment #1 to the purchase and sale agreement and joint escrow instructions (90-22-201-1-01) between the Salvation Army and the Maricopa County Special Health Care District dba Valleywise Health, to extend the feasibility period in relation to the acquisition of approximately 2.42 acres located at 4011 North 51st Avenue, Phoenix, Arizona
 - d. Medical Staff:
 - i. Approve Valleywise Health's Medical Staff credentials for June 2022
 - ii. Approve Valleywise Health's Advanced Practice Clinician/Allied Health Professional Staff credentials for June 2022
 - iii. Approve proposed revisions to the Department of Dentistry Delineation of Privileges

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

1. Approval of Consent Agenda, cont.:
 - d. Medical Staff, cont.:
 - iv. Approve proposed revisions to policy 39017 T: Medical Staff Fund and Associated Dues and Assessment
 - v. Confirm Tammalynn Bambulas, MSN, CNM (OB/GYN) and Tara Krog, PhD (Psychiatry), as Advanced Practice Clinician/Allied Health Professional Members-At-Large (July 1, 2022 – December 31, 2023)
 - e. Care Reimagined Capital:
 - i. Approve amendment #53 to the contract (480-90-18-012) with Kitchell Contractors, Inc. of Arizona, Construction Manager at Risk (CMAR), for guarantee maximum price (GMP) number 6.03, and GMP number 8.01. GMP 6.03 is to amend the pricing (an additional \$5,508) and extend the timeline for the cart wash project, and GMP 8.01 is to extend the timeline for the caisson demolish and removal
 - ii. Approve capital expenditure request (CER #19-947O) for a GE Healthcare Telemetry system, for the new acute care hospital for a total cost of \$1,111,777
 - iii. Approve capital expenditure request (CER #19-947P) for two Perry Baromedical hyperbaric chamber systems, for the new acute care hospital for a total cost of \$275,021
 - iv. Approve capital expenditure request (CER #19-947Q), for structured cabling and patient cameras, for the new acute care hospital for a total cost of \$605,049
 - f. Capital:
 - i. INTENTIONALLY LEFT BLANK

Ms. Talbot announced item 1.c.vi., amendment #1 to the purchase and sale agreement and joint escrow instructions between the Salvation Army and the Maricopa County Special Health Care District dba Valleywise Health, would be removed from the consent agenda, at staff's request.

MOTION: Director Harden moved to approve the consent agenda minus item 1.c.vi. Director Dewane seconded.

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

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

2. Quarterly Update on Valleywise Health's Behavioral Health Programs and Services

Mr. Cavallo provided an update on behavioral health services throughout Valleywise Health, focusing on inpatient programs and actions plans to address staffing shortages. He noted the closures of units at Valleywise Behavioral Health Centers-Phoenix and Maryvale, attributed to staffing shortages. He also mentioned the measures underway to minimize the spread of COVID-19 on the units.

He reviewed a three-year comparison of behavioral health activity, highlighting variations in admissions, average daily census details, and the number of staffed units.

NOTE: Chairman Wilcox joined the meeting at 1:09 p.m.

Mr. Cavallo stated that court hearings conducted at Valleywise Behavioral Health Center-Maryvale began to be held in-person, with plans to move all three facilities to in-person proceedings by Fall 2022. Visitation restrictions were temporarily lifted, however, due to an increase in positive COVID-19 within the community, the restrictions resumed at all facilities.

Director Harden acknowledged how isolation impacted a person's mental wellbeing and asked what measures were in place to minimize the effects.

Mr. Cavallo explained that patients had access to cellular devices to communicate with family. There were also other ways to keep patients engaged and occupied.

He provided an overview of the voluntary turnover rates within behavioral health between May 2020 and May 2022. Between that two-year span, voluntary turnover rates increased from 20.25% to 30.31%, with registered nurse voluntary turnover rates significantly higher.

Ms. Steiner noted various causes for the heightened turnover rate, including the stressful environment of working in inpatient behavioral health during a global pandemic. To address those difficult circumstances, changes were implemented to streamline processes to care for patients.

In an effort to stabilize staffing shortages, clinical pathways were developed to allow individuals to gain clinical knowledge through employment while obtaining their education. She highlighted several employees that completed their training, from behavioral health technician to registered nurse. Hiring fairs were now held on-site, which was effective in filling the vacant positions.

Staff was also focused on improving employee retention by adjusting the on-boarding practices of new hires and engaging with employees early on. She was hopeful that recent adjustments to salaries would demonstrate the organization's appreciation to long-term employees. All employees were encouraged to provide feedback and suggestions to improve the work environment.

Chairman Wilcox referenced the clinical pathways and asked if there was an agreement with Glendale Community College and the behavioral health certification programs offered there.

Ms. Steiner confirmed that Valleywise Health was the facility used to train individuals completing their mental health certification programs, however, there had been a decline in the number of participants recently.

Chairman Wilcox asked if the focus on recruitment and retention would result in the opening of additional units.

Ms. Steiner explained that the efforts underway would fill current vacancies. Once those positions were filled, the focus would then shift to expanding services.

Mr. Cavallo said the goal was to open one additional unit in the upcoming fiscal year, and staff continued to seek opportunities to provide as many services as possible.

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

2. Quarterly Update on Valleywise Health's Behavioral Health Programs and Services, cont.

Chairman Wilcox asked if additional grant funding would assist in opening units.

Mr. Cavallo noted that additional resources would be appreciated, and the leadership team would determine how to cultivate and utilize funds that may be received.

Chairman Wilcox asked if other behavioral health providers were experiencing similar staffing challenges.

Mr. Cavallo stated that other providers conveyed similar experiences with staffing shortages. He provided an overview of outpatient behavioral health programs, noting the Assertive Community Treatment (ACT) team would soon be celebrating six years in operation. The First Episode Center was the recipient of the 2022 Mercy Care RISE (Resilience, Innovation, Service and Empowerment) Award. He highlighted the growth within integrated behavioral health services, as many individuals now had access to behavioral health professionals.

He reviewed future behavioral health projects, including the expansion of outpatient services in the East and West Valley due to grant funding received from Maricopa County.

Chairman Wilcox expressed appreciation to Mr. Cavallo and Ms. Steiner for their leadership. She suggested a celebration for the ongoing success of the ACT team, and to show appreciation to behavioral health employees.

3. Discuss and Review Trauma Program Readiness

Ms. Garcia said Valleywise Health's trauma program was scheduled for a focus survey from the American College of Surgeons (ACS), to be conducted the first week in December 2022. To prepare, several individuals attended the Trauma Outcomes and Performance Improvement Course (TOPIC). She noted that a new trauma program director was hired in mid-June 2022.

Following a recent ACS survey, areas of improvement were identified, including attendance at the monthly Performance Improvement meeting. Current review of the attendance demonstrated compliance with the requirement.

Another area for improvement was the trauma diversion percentage. Since February 2022, the trauma diversion rate had significantly improved, and the organization was now meeting the benchmark. She outlined the plans implemented that contributed to the decrease in trauma diversion percentage.

While trauma inpatient admission volume was previously meeting the benchmark, there was an opportunity to improve the metric. She noted that specific metric had improvement and was exceeding the ACS benchmark.

To address deficiencies within the performance improvement and quality management integration, Ms. Garcia outlined the actions taken. She noted a quality analyst and administrative assistant were assigned to attend trauma related meetings, and the committee structure had been updated to include trauma services. Performance improvement action plans were updated to ensure active measures were integrated to the organization's overall quality improvement plans, and the Trauma Quality Improvement Program (TQIP) was also discussed at various committees.

She noted clinical practice guidelines were updated and placed where all employees could access the information. There were also plans to address hypothermia in the trauma bay, the geriatric alert process, and the mass transfusion protocol.

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

3. Discuss and Review Trauma Program Readiness, cont.

Director Harden requested additional information related to the geriatric alert process.

Ms. Garcia explained the specific criteria developed to evaluate and determine if a case should be elevated to a trauma, based on the patient's age, medication, or fall, without outward signs of trauma. She noted the age threshold was 60 years of age.

4. Discuss and Review Valleywise Health's May 2022 Financials and Statistical Information

Ms. Agnew reviewed statistical information for May 2022, noting overall admissions missed budget by 7.5% due to decreased behavioral health admissions. However, acute admissions were 20% better than budget. Overall emergency department visits were 28.9% better than budget, and ambulatory visits missed budget by 5.4 percent. She highlighted outpatient behavioral health was 3.5% better than budget, due to the expansion of integrated behavioral health.

On a year-to-date basis, acute admissions and emergency department visits were better than budget, while ambulatory visits missed budget by less than one percent.

She discussed the payor mix and stated a slight increase in the other government payor source, due to higher utilization of services by law enforcement patients. On a year-to-date basis, the percentage of Medicaid was less than the budgeted amount, due to reduced behavioral health admissions. The unusual item for the month included the receipt of COVID-19 provider relief funds.

Ms. Agnew outlined the income statement for May 2022, noting net patient service revenue missed budget by 1.1%, due to the payer mix. She referenced the expenses, including the use of contract labor. While that expense had a negative variance, there was improvement from the prior month. She stated salaries and wages' positive variance was due to the number of staff vacancies throughout the organization. She explained the variances for other expenses for the month. The total operating expenses had a 1.7% unfavorable variance for the month.

The operating loss for the month was \$13,775,613, compared to a budgeted loss of \$12,133,559, for a \$1,642,054 unfavorable variance. The overall decrease in net assets, after considering non-operating revenues and expenses and removing bond related activity, was \$2,403,795, compared to a budgeted loss of \$5,097,869, for a \$2,694,074 positive variance.

On a year-to-date basis, the decrease in net assets was \$68,972,135, compared to a budgeted loss of \$39,824,423, for a \$23,049,843 unfavorable variance, with 113.1 days cash on hand.

5. 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

Chairman Wilcox took a moment to recognize recent comments made by Mr. Rusty Bowers, Speaker of the Arizona House of Representatives, and applauded this integrity.

Mr. Fronske reviewed statistics of the legislative session, noting 1,851 bills had been posted, with a series of appropriation bills under review. He stated that the budget had momentum, as the House passed two sets of budget bills, referred to as a skinny budget and the majority budget. After an initial analysis of the budget bills, both bills included the rules exemptions for Arizona Health Care Cost Containment System (AHCCCS). The exemption would allow the agency to revise the hospital assessment and exclude Valleywise Health while still providing funds. He reiterated that none of the bills had been passed into law and staff would continue to monitor their status until the session concluded.

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

5. 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.

Mr. Fronske provided an update on the bills that staff continued to monitor, however, he predicted that the focus would be on the budget. Once the budget was passed, it was likely that the legislative session would conclude. He mentioned a bill that was supported by the District, House Bill (HB) 2691, the healthcare workforce grant bill, was now two separate items.

He reviewed federal issues, announcing a recent decision by the Supreme Court of the United States ruled in favor of hospitals regarding 340B reimbursement rates, and staff would analyze how that decision impacted Valleywise Health. Congress was also working on twelve appropriation bills, with hopes of having all completed before the session recessed. He commented on various activities which could delay the process, including gun control negotiation and the investigation on the January 6th attack on the Capitol.

Once a state budget was passed, staff would review the implications on the organization and provide a summary at the next meeting.

Chairman Wilcox referenced the healthcare workforce grants and asked how the grant funds would be distributed, if the measure passed.

Mr. Fronske said the Department of Health Services would be responsible for those decisions.

6. Monthly Update on Care Reimagined Projects

Ms. Christiansen provided an update on the Care Reimagined project, noting over 10.3 million manhours accumulated throughout the course of the various projects. There were no changes to the timeline, and she stated there were no major concerns on the project dashboard, while mitigation plans related to the budget and long-lead equipment were in place.

She reviewed the progress of the medical center, highlighting tasks that has been completed, and those that were planned to take place in the next 30 days.

The activation plan was outlined, noting the process would take place through various cycles. The workgroups within each cycle would work on establishing best practices prior to moving into the new building.

Ms. Christiansen provided an update on the progress related to the Support Services Building, noting tasks to be completed in the next 30 days.

7. Review and Possible Action on the Following Reports to the Board of Directors:
 - a. Monthly Marketing and Communications Report (May 2022)
 - b. Monthly Care Reimagined Capital Purchases Report (May 2022)
 - c. Monthly Valleywise Health Employee Turnover Report (May 2022)
 - d. Quality Management Council Meeting Minutes (May 2022)

Director Harden referenced item 7.b., the Monthly Care Reimagined Capital Purchases Report, and requested clarification on the expenses related to the Maryvale Campus.

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

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

Ms. Agnew explained that those expenses were incorrectly allocated to the Maryvale Campus and were associated with Valleywise Comprehensive Health Center-Peoria.

8. 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

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 reviewed old business. While the items were on-going, information related to recruitment and retention efforts within behavioral health was provided during the meeting. She noted the request that stemmed from the meeting.

Adjourn

MOTION: Vice Chairman Thomas moved to adjourn the June 22, 2022 Maricopa County Special Health Care District Board of Directors Meeting. Director Dewane seconded.

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

Meeting adjourned at 2:19 p.m.

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