

<b>Minutes</b>
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<p><b>Maricopa County Special Health Care District Board of Directors Meeting Valleywise Health Medical Center Conference and Administration Center, Auditoriums 1 through 4 October 26, 2022 1:00 p.m.</b></p>
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**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  
Susan Gerard, Director, District 3

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

**Guest Presenters:** Crystal Garcia, RN, Vice President, Surgical, Specialty, Quality and Safety  
Susan Lara-Willars, HCS, MBA, Senior Vice President, Chief Human Resources Officer  
Barbara Harding, RN, MPA, Senior Vice President, Ambulatory Services; and Federally Qualified Health Center Clinics Chief Executive Officer

**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 1:02 p.m.

**Roll Call**

Ms. Talbot called roll. Following roll call, she 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 member participating remotely.

**Pledge of Allegiance**

Vice Chairman Thomas led the Pledge of Allegiance.

**Call to the Public**

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

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**Mission Statement**

Director Gerard 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 September 28, 2022
  - b. Contracts:
    - i. Approve amendment #61 to the professional services agreement (90-12-084-1-61) between District Medical Group and the Maricopa County Special Health Care District dba Valleywise Health
    - ii. Approve amendment #3 to the memorandum of understanding (MOU) (90-21-021-1-03) between Central Arizona Shelter Services, Inc. (CASS) and the Maricopa County Special Health Care District dba Valleywise Health, for emergency shelter beds and a healthcare navigator
    - iii. Approve a new funds flow agreement (90-23-073-1) between Banner Health dba Banner University Medical Center Phoenix Campus, and the Maricopa County Special Health Care District dba Valleywise Health, for redistribution of newly generated graduate medical education funding
    - iv. Approve a new agreement (MCO-20-030-MSA) between NaphCare, Inc., and the Maricopa County Special Health Care District dba Valleywise Health, for the provision of comprehensive medical and behavioral health services
    - v. Approve a new facility agreement (MCO-20-031-MSA) between NaphCare, Inc., and the Maricopa County Special Health Care District dba Valleywise Health, for the provision of comprehensive medical and behavioral health services
    - vi. Approve a new contract (90-22-294-1) between Transportation Equipment Sales Corporation (TESCO) and the Maricopa County Special Health Care District dba Valleywise Health, for a mobile health unit utilizing Health Resources and Services Administration (HRSA) American Rescue Plan Act funding (H8F)
  - c. Governance:
    - i. Approve revisions/renewal to the following Board policies:
      - a. Policy 99001 G – Annual External Audit
      - b. Policy 99400 G – Accrediting Bodies
    - ii. Approve Valleywise Health Foundation's ALL IN Campaign donor recognition requests
    - iii. Approve application of Jane Atherton Wilson as potential member to the Valleywise Community Health Centers Governing Council

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

1. Approval of Consent Agenda, cont.:

d. Medical Staff:

- i. Approve Valleywise Health's Medical Staff credentials for October 2022
- ii. Approve Valleywise Health's Advanced Practice Clinician/Allied Health Professional Staff credentials for October 2022
- iii. Approve proposed revisions to the Department of Surgery Delineation of Privileges
- iv. Approve proposed revisions to Policy #39026 T – Operational Credentialing Policy and Procedure

e. Care Reimagined Capital:

- i. INTENTIONALLY LEFT BLANK

f. Capital:

- i. Approve capital expenditure request (CER #23-420) to replace porcelain toilets at Valleywise Behavioral Health Center-Maryvale, for a total cost of \$252,617
- ii. Approve capital expenditure request (CER #23-305) for capital improvements and renovations at Valleywise Community Health Center-South Central, for a total cost of \$289,000, utilizing Health Resources and Services Administration (HRSA) American Rescue Plan - Health Center Construction and Capital Improvements (C8E) funding
- iii. Approve capital expenditure request (CER #23-306) for capital improvements and renovations at Valleywise Community Health Center-Avondale, for a total cost of \$596,400, utilizing Health Resources and Services Administration (HRSA) American Rescue Plan - Health Center Construction and Capital Improvements (C8E) funding
- iv. Approve capital expenditure request (CER #23-308) for capital improvements and renovations at Valleywise Community Health Center-Chandler, for a total cost of \$375,758, utilizing Health Resources and Services Administration (HRSA) American Rescue Plan - Health Center Construction and Capital Improvements (C8E) funding
- v. Approve capital expenditure request (CER #23-422) for replacement endoscopy scopes at Valleywise Health Medical Center for a total cost of \$425,862
- vi. Approve capital expenditure request (CER #23-423) for additional endoscopy scopes at Valleywise Comprehensive Health Center-Peoria for a total cost of \$388,309
- vii. Approve capital expenditure request (CER #23-005) to complete rough-in plumbing on the 10<sup>th</sup> floor new acute care tower shelled space for a total cost of \$802,839, utilizing funding from the Valleywise Health Foundation

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

1. Approval of Consent Agenda, cont.:

Chairman Wilcox requested consent agenda items 1.b.vi. and 1.c.ii. be removed and voted on separately.

**MOTION:** Director Dewane moved to approve the consent agenda minus 1.b.vi. and 1.c.ii. Vice Chairman Thomas seconded.

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

0 Nays

**Motion passed.**

Dr. White addressed consent agenda item 1.b.vi., a new contract with Transportation Equipment Sales Corporation (TESCO), for a mobile health unit utilizing Health Resources and Services Administration (HRSA) American Rescue Plan Act funding (H8F). He explained the mobile health unit would be able to provide clinical services throughout Maricopa County and it was expected to be operational in 2024.

Chairman Wilcox expressed her appreciation for the efforts to offer healthcare services throughout Maricopa County. Due to the size of Maricopa County, it was difficult to provide access to care for our patients just through the Valleywise Community Health Centers.

She then highlighted consent agenda item 1.c.ii., Valleywise Health Foundation's ALL IN Campaign donor recognition requests and was grateful for the support provided through donations. She congratulated the Valleywise Health Foundation on the success of the recent fundraising event, A Night in the Valley.

**MOTION:** Vice Chairman Thomas moved to approve the consent agenda items 1.b.vi. and 1.c.ii. Director Dewane seconded.

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

0 Nays

**Motion passed.**

2. Discuss and Review Vizient Clinical Database Annual Performance Scorecard for Valleywise Health

Ms. Garcia provided an overview of Valleywise Health's Vizient Clinical Database annual performance scorecard. The scorecard contained the Institute of Medicine's six domains of care: safety, timeliness, effectiveness, efficiency, equity, and patient centeredness.

She noted that Valleywise Health began participating in the annual performance scorecard in 2019, and she showcased the scores received in previous years and reviewed the timeframe the data was collected. She highlighted continuous improvement, year over year in the overall scores, with the 2022 results demonstrating the greatest improvement over prior year.

She provided detail related to the organization's quality and accountability results, noting the highest improvements over prior years were achieved within mortality and safety categories. The organization improved its overall ranking and was now in the 64<sup>th</sup> percentile, down from prior year's ranking of the 74<sup>th</sup> percentile.

The scores and percentile rankings for individual domains were discussed, noting areas of opportunity within the efficiency and effectiveness categories. She stated a strategic planning committee was recently developed and would create plans to address those areas.

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

2. Discuss and Review Vizient Clinical Database Annual Performance Scorecard for Valleywise Health, cont.

Ms. Garcia stated that Vizient annually reviewed the methodology used to calculate the scores and applied any revised methodology to previous year's data, to ensure comparisons to prior year were accurate. By applying the most current methodology to prior year's data, Valleywise Health had significant improvement in its scores, particularly in catheter associated urinary tract infections (CAUTI), mortality-gastroenterology, and patient safety indicators. She focused on patient centeredness and noted improvements in all areas compared to prior years.

She outlined the actions in place to ensure continual improvement. The monthly strategic planning committee was tasked to develop actions for infections, length of stay, patient safety indicators, and clinical documentation.

To reduce methicillin-resistant staphylococcus aureus (MRSA) bacteremia infections, the process related to admissions orders was revised. As a result, there were no MRSA infections in three months. The urinalysis ordering process was also updated which yielded positive results.

In an effort to maintain progress made in patient experience, staff continually worked on incorporating the patient experience standard, ACCEPT (Acknowledge, Connect, Communicate, Every Person, Every Time) into the workplace culture. In addition, patient experience provider scorecards were developed and implemented, and leaders rounded the clinical areas to connect with patients and immediately answer questions and address concerns.

Chairman Wilcox asked if the strategic planning meetings included various departments to offer varying viewpoints.

Ms. Garcia said the strategic planning meetings includes multiple disciplinaries who focused on implementing plans quickly and efficiently.

Director Gerard appreciated that the reports contained multiple years, as it demonstrated trends. She asked if staff was aware of how the results compared to similar hospitals.

Ms. Garcia explained that the report included individual scores, as well as the ranking when compared to other hospitals within the same cohort.

Vice Chairman Thomas asked if hospitals included in the cohort were based on similar services provided.

Ms. Garcia said all hospitals that were compared to Valleywise Health were considered complex medical centers and followed specific criteria to meet that classification.

3. Discuss and Review Valleywise Health's September 2022 Financials and Statistical Information, and Quarterly Investment of Funds Report

Ms. Agnew reviewed statistical information for September 2022, noting overall admissions were 2.5% better than budget. There were more acute admissions due to higher emergency department visits and more deliveries than anticipated. Behavioral health had a longer length of stay and some COVID positive patients, resulting in fewer admissions for the month.

Director Gerard asked if the longer length of stay within behavioral health was attributed to limited options for discharge facilities. She asked if the Regional Behavioral Health Authority (RBHA) was providing adequate assistance in locating step-down care for patients.

Ms. Agnew said that there had been challenges in discharge options for both behavioral health and acute patients. Staff continued to work with the RBHA for assistance in securing safe discharge options.

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

3. Discuss and Review Valleywise Health's September 2022 Financials and Statistical Information, and Quarterly Investment of Funds Report, cont.

Dr. White concurred, noting that staffing shortages impacted every aspect of the healthcare industry and were causing disruptions at every level of care.

Ms. Agnew stated overall emergency department visits were 17.3% better than budget, and ambulatory visits were 3.6% better than budget. She highlighted specific areas that had experienced high volumes, including dental and outpatient behavioral health. On a year-to-date basis, admissions, emergency department visits, and ambulatory visits were all performing better than budget.

She discussed the payor mix, highlighting higher utilization in the state's Medicaid program, Arizona Health Care Cost Containment System (AHCCCS), and less commercial utilization.

Director Gerard questioned what attributed to shifts in the payor mix.

Ms. Agnew said that there were various factors, including higher than budgeted emergency department visits and deliveries. She explained that many of the deliveries utilized AHCCCS or other government payor sources. She explained the longer length of stay within behavioral health also contributed to the shift in payor mix, as many behavioral health patients utilized AHCCCS as well.

Chairman Wilcox stated that there are many people with commercial insurance that are under the assumption that they can not be treated at Valleywise Health. She asked if there was a way to communicate the insurance plans Valleywise Health accepted.

Ms. Agnew said that there was a significant outreach effort to educate the public, specifically in the ambulatory setting. However, due the current volumes and staffing shortages, staff would have to balance marketing toward commercial patients, as to not overwhelm the available resources. She mentioned that Valleywise Health had increased the number of contracted payors, and a comprehensive list of accepted insurance plans was available on the Valleywise Health website.

Director Harden asked if someone did not have access to the internet, did the hospital operator have the insurance information to provide patients.

Ms. Stotler stated the hospital operators would transfer patient calls with questions related to their insurance plan to the Patient Access Center, to assist and answer their questions.

Ms. Agnew reviewed the income statement, stating the high volumes throughout the organization did not translate to increased net patient service revenue, due to the payor mix. Total operating revenue missed budget by 3.7 percent. Operating expenses had a negative 0.6% variance.

The major contributing factors for the negative operating expenses were associated with contract labor and rent for medical equipment. She highlighted various areas with a positive variance and attributed the savings to numerous margin improvement projects that were being implemented throughout the organization.

The operating loss for the month was \$15,072,864 compared to a budgeted loss of \$12,650,879, for an unfavorable variance of \$2,421,984. After factoring in non-operating revenue and expenses and removing bond related activity, the overall decrease in net assets was \$8,359,514 compared to a budgeted loss of \$5,960,755, for an unfavorable variance of \$2,398,739.

On a year-to-date basis, the decrease in net assets was \$23,674,867 compared to a budgeted loss of \$18,049,952, for a \$5,624,915 unfavorable variance with 105.2 days cash on hand, and 71.3 days in accounts receivable.

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

3. Discuss and Review Valleywise Health's September 2022 Financials and Statistical Information, and Quarterly Investment of Funds Report, cont.

Director Harden highlighted the increase in operating room procedures, including the endoscopy volumes at Valleywise Comprehensive Health Center-Peoria.

Ms. Agnew reviewed the investment performance for the fiscal year 2023, noting the annual yield, for the first quarter, was 1.17% or \$447,788. That was a significant improvement from prior year. She reminded the Board that investments were conservative and within U.S. bonds, treasury notes and short-term bills.

Director Dewane expressed interest in learning more about the investment portfolio, as there may be options to increase the yield.

4. Monthly Update on Care Reimagined Projects

Ms. Christiansen provided an update on Care Reimagined, noting over 11.4 million manhours had been accumulated throughout the course of the various projects. There were no changes to the timeline related to the opening of the acute towers, however, the decommissioning dates of specific buildings were noted.

There were no major concerns on the project dashboard, while mitigation plans continued to be in place for budget and long-lead equipment items.

She reviewed the progress of the acute tower, highlighting the tasks that has been completed and those that were scheduled to take place within the next 30 days. Focus was now shifting to activation plans. Information technology (IT) was heavily involved in the planning processes, as technology was instrumental in every aspect of the new tower. Nursing was coordinating training and education to ensure new workflows and processes would transition seamlessly into the new building upon opening.

She expressed her appreciation to the project manager, Vanir, and the construction manager-at-risk (CMAR), Kitchell, for their dedication to safety, as there have been 631 days with no incident or lost time.

Ms. Christiansen highlighted the rough-in work that was underway on the eighth floor, noting through the consent agenda, the Board approved a capital expenditure request to complete the rough-in work on the tenth floor. The funding for that project was provided by donations through the Valleywise Health Foundation.

The activation plan was outlined, noting various departments coordinated together to avoid duplicative work and transition to the acute tower as efficiently as possible.

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

Mr. Purves recalled a conversation that he had with a nurse on the medical intensive care unit (MICU), related to the move the to new building. While there was excitement surrounding the move, there was also nerves and a bit of trepidation with change. Staff was cognizant of those concerns and would work to ease them as the move-in date approached.

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

5. Review and Possible Action on the Following Reports to the Board of Directors:
  - a. Monthly Marketing and Communications Report (September 2022)
  - b. Monthly Care Reimagined Capital Purchases Report (September 2022)
  - c. Monthly Valleywise Health Employee Turnover Report (September 2022)
  - d. Quality Management Council Meeting Minutes (September 2022)
  - e. Quarterly Valleywise Community Health Centers Governing Council Member Structure Report
  - f. Quarterly Employee Engagement Survey Action Plans

Ms. Lara-Willars addressed item 5.f., the Employee Engagement Survey Action Plans, noting the recent employee engagement survey results were shared with the Board in August 2022. Staff was in the process of developing action plans and would provide an update next quarter.

She announced the Red Hand Program, a new initiative scheduled to begin November 2022. A red hand would be placed on new employee badges for the first 90 days of employment. The goal was to encourage introductions and patience with new employees. After 90 days, there would be a ceremony to remove the hand, celebrate the milestone achieved, and reinforce Valleywise Health values.

Director Dewane applauded the efforts to welcome new employees into the system. He noted that individuals sought a safe, welcoming, and low-stress work environment. While healthcare is a high-stress industry, the organization can be safe and welcoming to all staff.

Mr. Purves noted that entering a healthcare organization can be very intimidating and staff was exploring ways to make new employees more comfortable. There were also plans to highlight specific benefits, such as the Arizona State Retirement System (ASRS), that sets Valleywise Health apart from other hospitals.

Ms. Lara-Willars addressed item 5.c., the Valleywise Health Employee Turnover Report, and highlighted a slight improvement over prior month.

She noted that between June 1 and September 30, 2022, 100 behavioral health technicians and nurses were hired. However, during that timeframe, 55 employees parted ways with Valleywise Health. While that was a significant turnover percentage, that was an improvement over previous periods, when turnover in behavioral health was upward of 90 percent. She attributed the reduction in turnover to the compensation adjustments, and coordinating recruitment and retention efforts with behavioral health leadership.

Chairman Wilcox noted during the consent agenda, the Board approved capital expenditure requests for the renovations at Valleywise Community Health Centers-Avondale, Chandler and South Central. The renovations were made possible through Health Resources and Services Administration (HRSA) grant funds C8E.



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

6. Concluding Items

a. Old Business:

**June 16, 2022**

Fiscal Year 2023 Operating and Capital Budget

- Share results of analysis on whether nutrition and environmental services should remain outsourced with the Board, prior to issuing requests for proposals.

**August 24, 2022**

Monthly Update on Care Reimagined Projects

- Provide a timeline of the demolition of Conference and Administration Center/Hogan Building
- Work with organized neighborhood groups near Valleywise Health Medical Center to build connections and invite to opening of new hospital

Engineering and Construction Projects at Valleywise Health

- Provide the landscaping plans included in the renovations of Valleywise Community Health Center-Guadalupe

**September 28, 2022**

Nursing Related Quality Metrics

- What agency establishes the benchmark for Blood Bank Specimen Labeling Errors
- When reporting any patient falls, indicate how many of those fall required surgical intervention

Valleywise Community Health Centers Governing Council Annual Report

- When reporting statistics, include arrows of desired direction

Concluding Items

- Explore options to include a ramada or outdoor seating at Valleywise Community Health Center-Guadalupe
- Write an op-ed related to the approval of the Amended and Restated Creighton University Arizona Health Education Alliance Agreement, highlighting Valleywise Health's contributions

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, reiterated the outstanding items and noting the items that had been completed.

Chairman Wilcox referenced the request from September 28, 2022, related to exploring options to include a ramada or outdoor seating at Valleywise Community Health Center-Guadalupe. She noted she offered to keep Guadalupe officials updated on the plans for that location.

Ms. Christiansen stated that after reviewing the renovation budget, there were no funds allocated to a ramada or outdoor seating. However, should additional funds be acquired, the exterior landscaping would be evaluated.

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

6. Concluding Items, cont.

Vice Chairman Thomas commented on the Valleywise Health Foundation's fundraising event, A Night in the Valley, and congratulated all involved on a successful evening. He mentioned that he attended the Arizona Hospital and Healthcare Association's Annual conference, which highlighted the various factors impacting the healthcare industry. He mentioned that all factors contributed to the daily operations of the organization.

Mr. Purves thanked Chairman Wilcox and Vice Chairman Thomas for attending the conference. He also shared recent accolades achieved by Valleywise Health and its physicians. The Arizona Burn Center received the ASU College of Health Solutions 1<sup>st</sup> Annual Health Equity Award in mid-October.

The Cancer Support Community of Arizona presented the Spirit of Healing Award to physicians from the oncology and radiology departments. The Valleywise Health Foundation was also highlighted for funding cancer resource and bilingual hospital navigators.

The Arizona Public Health Association awarded Dr. Frank LoVecchio with the Public Health Research Award.

Ms. Agnew was a finalist for the 2022 CFO of the Year, presented by the Arizona chapter of Financial Executive International and AZ Business magazine.

The Arizona Burn Center at Valleywise Health received national news coverage reporting on the recovery of a 12-year old girl that was struck by lightning. There was also news coverage after several Arizona Cardinal players visited the Arizona Burn Center, including cornerback Antonio Hamilton. Mr. Hamilton was treated at the Arizona Burn Center after a cooking accident resulted in burns.

Mr. Purves announced the passing of two long-time members of the medical staff members, Dr. Jan Mangalat and Dr. Alan R. Frechette.

He provided a status update on the efforts to create a safety net hospital designation, after a technicality prevented Valleywise Health from receiving safety net funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. He noted *The Wall Street Journal* was working on a story related to the matter.

BREAK 2:35 p.m. – 2:45 p.m.

**MOTION:** Director Dewane moved to recess general session and convene in executive session at 2:45 p.m. Vice Chairman Thomas seconded.

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

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

Chairman Wilcox reconvened general session at 3:18 p.m.

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**Adjourn**

**MOTION:** Vice Chairman Thomas moved to adjourn the October 26, 2022 Maricopa County Special Health Care District Board of Directors Formal 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 3:19 p.m.

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