

- DRAFT MEETING MINUTES -

Florida Commission on Review of Taxpayer Funded Hospital Districts

Meeting Date: November 7, 2011

Time: 10:00a.m. – 4:00 p.m.

Location: Agency for Health Care Administration, Conference Room A

Members Present: Dominic Calabro, Chair, Brad Dinkins, Paul Duncan, Jacob C. Jackson (via phone), Marshall Kelley, J. Scott McCleneghen (via phone), Representative for Representative Matt Hudson (via phone), Senator Joe Negron represented by Senator Claude Hendon, Randall McElheney (via phone) and Jeff Gregg, Executive Director

AHCA Staff Present: Kaylyn Boles, Ryan Fitch, Marsha Webb, and Faye Miller

Interested Parties Present: Bruce Rueben, Florida Hospital Association; Christine Sexton, Tallahassee Reporters; Blaine Cherry, Florida Tax Watch; Sonya Sowards, Florida Tax Watch; John Owens, Financial Healthcare Strategies; Lori Hundley, Parrish Medical; Jim Zingale, Safety Net Hospital Alliance of Florida; Kristina Pickens, Robert M. Levy Associates; Keon Lee, FSU; David Carbone, St. Mary's Medical Center; David Ross, Tenet Florida; William Woeltjen, Sarasota Memorial; Carl Crabtree; John Benz, Memorial Health System; Harry Duncanson; David Fifer, Akerman Senterfitt; Steve Uhlfelder, Tenet; R. H. Hahn, Coventry; Hayden Matheson, Florida House; Bill Bell, Florida Hospital Association; Michael Glazer, Ausley & McMullen; Dee Schaeffer, Halifax; Glenn Burhans, Greenberg Trauig; Lynn Hatter, Florida Public Radio; Representative Larry Metz; and Lloyd Dunkelburger; NY Times Regional.

Welcome and Introductions: Dominic Calabro, Chair, called the meeting to order and welcomed the Florida Commissioner's Review of Taxpayer Funded Hospital Districts (Commission members) and interested parties.

Review and Approval of October 21st Meeting Minutes: Chairman Calabro called for a review and approval of the minutes from the October 21, 2011 commission meeting. A motion was made by Commissioner Kelley and seconded by Commissioner Duncan. The minutes were approved.

Presentation by Representative Larry Metz – Proposed Legislation Regarding the North Lake County Hospital District: Representative Metz provided background on the North Lake County Hospital District. The district began as two districts, one created in 1963 and the other in 1980. In the mid-1990s, these two were combined to form the current North Lake County Hospital District. The merger was not approved by the voters. The purpose of the district is for continued hospital services. Representative Metz explains that the issue he has is what the purpose of the tax is. This tax exists and was never approved by the voters (citizens). In the proposed bill the current district would be changed to the North Lake County Indigent Health Care District. The proposed bill by Representative Metz provides policy parameters and restrictions for the tax. He stated that there was a requirement in the bill for providers to verify that the patient has no means to pay (Medicaid, Medicare, or insurance) and that they are qualified residents of the district.

Presentation by David Ross, Tenet Healthcare, Florida Region – A Review of Issues Related to Changes of Ownership at Publicly Funded Hospitals:

Mr. Ross gave a presentation on the things that should be considered when a publicly funded hospital changes ownership. Highlights include ensuring the taxpayers obtain full value for their investment through an open bid process; obtain measureable positive economic impact to state and local government, establish “money follows the patient” methodology, continue access to care for low income patients and maintain high quality care.

When asked why Tenet sold a facility in Broward county Mr. Ross stated that it was sold because it was tough to compete. He was asked if they would consider opening another facility in Broward and Mr. Ross replied that they probably would not because there are sufficient beds in the county. He also noted that the 5 hospitals in Palm Beach County are the only facilities that receive funding for indigent care. The other five (Broward/Miami-Dade) facilities do not receive any type of funding for indigent care.

Presentation by David Carbone, CEO, St. Mary’s Medical Center – A Case Study of the Tenet Experience at St. Mary’s Medical Center:

Mr. Carbone provided the history and success of St. Mary’s Medical Center. He noted that they are an example of a safety net hospital; however, they are not included in the Safety Net Alliance of Florida. St. Mary’s is a Catholic based facility that maintains 6 paid chaplains on staff. He noted that their relationship with Palm Beach County is good and without them they could not provide the services that they do. When asked about profitability, Mr. Carbone stated that the facility is profitable; however, with the reduction of Medicaid reimbursement that may change next year. St. Mary’s receives no direct funding from the district for indigent care; however, they have received intergovernmental transfer (IGT) funding.

Review of Second Analysis of Hospital Data by Dr. Keon-Hyung Lee:

Dr. Keon-Hyung Lee from Florida State University presented additional findings from an analysis of the hospital data received from AHCA. There were handouts of the results. These analyses included additional variables and were done with and without Jackson Memorial as requested at the October 21st meeting. He provided a lengthy technical discussion of the results, which showed that government hospitals are more expensive, by approximately 12%. It was noted that there wasn’t a big difference when excluding and including Jackson Memorial. There was extensive discussion by Commission members regarding whether these analyses were standard and satisfied what they needed to move forward with their recommendations. It was agreed by all that this information was substantial to make recommendations.

Public Comment – Dr. Jim Zingale, Safety Net Hospital Alliance of Florida:

Dr. Zingale began with a brief explanation of the Safety Net Hospital Alliance of Florida. The alliance is made up of 15 safety net hospitals (6 teaching hospitals, 2 stand-alone children’s hospitals, 6 public hospitals and 1 Regional Perinatal Intensive Care Center (RPICC)). He stated that a letter had been sent to Director Gregg and others and was requesting that it be placed on the web since he was speaking of the topic. Chairman Calabro stated that it would be posted. Dr. Zingale questioned whether the analyses performed by Dr. Lee provided the most accurate information for the Commission to make a recommendation. He suggested that they use the standard case mix adjustment in their analyses. He also noted that other factors be included, such as burn centers, regional perinatal intensive care centers, etc. He noted that without full documentation of what was done it was hard to know what had been done.

Agenda Items for Next Meeting: Presentation by Keith Arnold about future financing alternatives.

Meeting Adjourn: The meeting adjourned at 1:45 p.m.