LEE MEMORIAL HEALTH SYSTEM

BOARD OF DIRECTORS MEETING

Thursday, May 28, 2009
1:00pm

HEALTHPARK MEDICAL CENTER
ROOMS 1A & 1B

ELECTRONIC BOARD PACKET
Any Public input is limited to three minutes and a "Request to Address the Board of Directors" card must be completed and submitted to the Board Assistant prior to meeting.

LEE MEMORIAL HEALTH SYSTEM BOARD OF DIRECTORS
Thursday, May 28, 2009  1:00 pm

HEALTHPARK MEDICAL CENTER, MEETING ROOMS 1A &1B

AGENDA

1. 12:00 – 12:45 – Lunch meeting with HP/LMH Medical Staff
2. 1:00pm - CALL TO ORDER  (Richard Akin, Board Chairman)

   LEE MEMORIAL HEALTH SYSTEM BOARD OF DIRECTORS, sitting as the Lee Memorial Health System (LMHS) Board of Directors for Gulf Coast Medical Center & Lee Memorial Hospital/HealthPark Medical Center and the Board of Directors of its subsidiary corporations: Cape Memorial Hospital, Inc. doing business as Cape Coral Hospital; Lee Memorial Medical Management, Inc.; Lee Memorial Home Health, Inc.; and HealthPark Care Center, Inc.

3. Public Input - Agenda Items: Any Public input is limited to three minutes and a "Request to Address the Board of Directors” card must be completed and submitted to the Board Assistant prior to meeting.

4. Invocation and Pledge of Allegiance  (Reverend Cynthia Brasher)
5. Recognition of Harley Davidson Easter Bunny Toy Run  (Frank La Rosa, Board Director)

6. Board of Directors Meeting Minutes of April 30, 2009 (Approval)
   (Linda Brown, MSN, ARNP, Interim Board Secretary)

7. HealthPark Medical Center Operations Report (Accept)
   (Chuck Krivenko, M.D. Chief Medical Officer/Clinical and Quality Services)

   (Lisa Sgarlata, RN, VP Patient Care Services/ LMH)

9. Medical Staff Business (All Directors)
   A. Medical Staff Bylaws:  (Approval)
      • CCH, GCMC & LMHS Medical Staff Bylaw Revisions
        (Part III, 3.1 & 11.3)
      (Thomas Presbrey, M.D., PLC Chairman)
   C. Recommendations 5/15/09 Lee Memorial Hospital/ HealthPark Medical Center (Approval)
   D. Recommendations 5/15/09 Gulf Coast Medical Center (Approval)
   E. Recommendations 5/15/09 Cape Coral Hospital (Approval)

10. Consent Agenda (All Directors) (Approval)

11. Supporting Agency Business

12. Old Business

13. New Business

14. General Legislative Update (Keith Arnold, Government Liaison)

15. Board of Directors’ Report

16. Board Liaison Report (Cathy Stephens, Board Liaison)

17. Date of the next LEE MEMORIAL HEALTH SYSTEM BOARD MEETING

   June 25, 2009, Cape Coral Hospital Auxiliary Meeting Room
   12:00 Lunch Meeting with Medical Staff     1:00pm Full Board Meeting

18. ADJOURN
PUBLIC INPUT – AGENDA ITEMS:

Any public input pertaining to items on the Agenda is limited to three minutes and a “Request to Address the Board of Directors” card must be completed and submitted to the Board Assistant prior to meeting.

Refer to Board Policy: 10:15E: Public Addressing the Board

Non-Agenda Item:
Individuals wishing to address the Board on an item NOT on the Agenda, the Board office must be notified of subject matter at least seven (7) days prior to the meeting to allow staff time to prepare and to insure the matter is within the jurisdiction of the Board.
RECOGNITION

Harley Davidson Easter Bunny Toy Run

(Frank La Rosa, Board Director)
The SW Florida Chapter of the Harley Owners Group

There are no words that can express our appreciation for your Annual Easter Toy Run as a gift to the patients & families of The Children’s Hospital of Southwest Florida.

The smiles you give to our children are priceless!

2009 BOARD OF DIRECTORS

District 1 – Stephen R. Brown, MD • Marilyn Stout
District 2 – Richard Akin • Nancy McGovern, RN, MSM
District 3 – Lois Barrett, MBA • Linda L. Brown, MSN, ARNP
District 4 – Frank La Rosa • Dawson C. McDaniel
District 5 – Kerry Babb • James Green

Presented May 28, 2009
### LEE MEMORIAL HEALTH SYSTEM BOARD OF DIRECTORS MEETING MINUTES

**Thursday, April 30, 2009**

**LOCATION:** Lee County Public Education Center (LCPEC), 2855 Colonial Blvd., Fort Myers, FL 33966

**MEMBERS PRESENT:** Richard Akin, Board Chairman; Nancy McGovern, RN, MSM, Board Vice Chairman; Marilyn Stout, Board Treasurer; Steve Brown, M.D., Director; Linda Brown, MSN, ARNP, Director; Frank La Rosa, Director; Dawson McDaniel, Director; Lois Barrett, MBA, Board Secretary; Kerry Babb, Director; James Green, Director; James Nathan, President/CEO; Jim Humphrey, Esq., Board Counsel/Fowler & White; Cathy Stephens, Board of Directors’ Liaison; Mary McGillicuddy, Chief Legal Officer; Chuck Krivenco, M.D., Chief Medical Officer/Clinical and Quality Services; Jon Cecil, Chief Human Resources Officer; Doug Luckett, Chief Administrative and Ancillary Services Officer/GCMC; Larry Antonucci, M.D., Chief Administrative Officer/CCCH; Charles Swain, Chief Compliance and Internal Audit Officer; Mike German, Vice President/Financial Services; Tom Presbrey, M.D., Chairman/Physician Leadership Council; Karen Krieger, System Director/Public Affairs; Cynthia Brasher, System Director/Spiritual Services; Alex Greenwood, System Director/Operations/GCMC; Reverend Ben Keller, Chaplain/Spiritual Services/LMH; Ann Lou Sondemar, Auxiliary President/GCMC; Nora Harmon, Auxiliary President, LMH/HPMC; Anna McDaniel, Guest; Bob Johns, Guest; Michael Stratton, Guest; Isabel Firth, Administrative Secretary/Board of Directors

**OTHERS PRESENT:**
- James Nathan, President/CEO; Jim Humphrey, Esq., Board Counsel/Fowler & White; Cathy Stephens, Board of Directors’ Liaison; Mary McGillicuddy, Chief Legal Officer; Chuck Krivenco, M.D., Chief Medical Officer/Clinical and Quality Services; Jon Cecil, Chief Human Resources Officer; Doug Luckett, Chief Administrative and Ancillary Services Officer/GCMC; Larry Antonucci, M.D., Chief Administrative Officer/CCCH; Charles Swain, Chief Compliance and Internal Audit Officer; Mike German, Vice President/Financial Services; Tom Presbrey, M.D., Chairman/Physician Leadership Council; Karen Krieger, System Director/Public Affairs; Cynthia Brasher, System Director/Spiritual Services; Alex Greenwood, System Director/Operations/GCMC; Reverend Ben Keller, Chaplain/Spiritual Services/LMH; Ann Lou Sondemar, Auxiliary President/GCMC; Nora Harmon, Auxiliary President, LMH/HPMC; Anna McDaniel, Guest; Bob Johns, Guest; Michael Stratton, Guest; Isabel Firth, Administrative Secretary/Board of Directors

**NOTE:** Documents referred to in these minutes are on file by reference to this meeting date in the Office of the Board of Directors and on the Board of Directors website at [www.leememorial.org/boardofdirectors](http://www.leememorial.org/boardofdirectors), for public inspection.

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<td><strong>MEETING CALLED TO ORDER</strong></td>
<td>The LEE MEMORIAL HEALTH SYSTEM BOARD OF DIRECTORS meeting was CALLED TO ORDER at 3:00 p.m. by Board Chairman Richard Akin. The Board sits as the Lee Memorial Health System Board of Directors of Gulf Coast Medical Center, Lee Memorial Hospital, HealthPark Medical Center and the Board of Directors of its subsidiary corporations: Cape Memorial Hospital, Inc. doing business as Cape Coral Hospital; Lee Memorial Medical Management, Inc.; Lee Memorial Home Health, Inc.; and HealthPark Care Center, Inc.</td>
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<td><strong>PUBLIC INPUT</strong></td>
<td>There was no ‘Public Input’.</td>
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<td><strong>INVOCATION AND PLEDGE OF ALLEGIANCE</strong></td>
<td>Introduction &amp; welcome of Reverend Ben Keller, by Reverend Cynthia Brasher. The Invocation was given by Reverend Ben Keller and was followed by the Pledge of Allegiance.</td>
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<td><strong>RECESS MEETING</strong></td>
<td>Richard Akin RECESSES the LMHS Board of Directors Meeting at 3:08 pm and announced the meeting will reconvene following the Lee County Trauma Services District meeting.</td>
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<td><strong>RECONVENE MEETING</strong></td>
<td>Richard Akin RECONVENED the Board of Directors Meeting at 4:03pm.</td>
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<td><strong>BOARD OF DIRECTORS MEETING MINUTES OF MARCH 26, 2009</strong></td>
<td>Linda Brown asked if anyone wished to make any additions or corrections to the March 26, 2009 Board of Directors Meeting minutes.</td>
<td>A motion was made by Linda Brown to approve the March 26, 2009 Board of Directors Meeting minutes. The motion was seconded by Nancy McGovern and it carried with no opposition.</td>
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<td><strong>GULF COAST MEDICAL CENTER OPERATIONS REPORT</strong></td>
<td>Doug Luckett reviewed the Gulf Coast Medical Center Operations Report for March 31, 2009 (Exhibit #1). Frank La Rosa thanked Doug for his hard work and continued success in developing the operations and the staff of Gulf Coast Medical Center.</td>
<td>A motion was made by Nancy McGovern to accept the Gulf Coast Medical Center Operations Report for March 31, 2009 (Exhibit 1). The motion was seconded by Marilyn Stout and it carried with no opposition.</td>
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<td>MEDICAL STAFF BUSINESS</td>
<td>Tom Presbrey presented the Physician Leadership Council (PLC) Report of April 30, 2009 (Exhibit 2). Steve Brown said he is confused about the definition of a Hospitalist. Discussion ensued with regard to the Hospitalist’s role in the hospital and their evolving position and required qualifications. Jim Nathan said the Hospitalist is the most rapidly growing healthcare specialty in America and this hospital position still requires a lot of clarity. Richard Akin said there will be a hospitalist update presented at the May 14, 2009 Quality and Education meeting which will provide further detail on this topic. Richard Akin asked for approval of the Gulf Coast Medical Center Medical Staff Recommendations of April 14, 2009 (Exhibit 3). Richard Akin asked for approval of the Lee Memorial Hospital/HealthPark Medical Center Medical Staff Recommendations of April 14, 2009 (Exhibit 4). Richard Akin asked for approval of the Cape Coral Hospital Medical Staff Recommendations of April 14, 2009 (Exhibit 5).</td>
<td>A motion was made by Linda Brown to accept the Physician Leadership Council Report of April 30, 2000 (Exhibit 2). The motion was seconded by Dawson McDaniel and it carried with no opposition. A motion was made by Marilyn Stout to approve the Gulf Coast Medical Center Medical Staff Recommendations of April 14, 2009. The motion was seconded by Frank La Rosa and it carried with no opposition. A motion was made by Linda Brown to approve the Lee Memorial Hospital/HealthPark Medical Center Medical Staff Recommendations of April 14, 2009 (Exhibit 4). The motion was seconded by Marilyn Stout and it carried with no opposition. A motion was made by Marilyn Stout to approve the Cape Coral Hospital Medical Staff Recommendations of April 14, 2009 (Exhibit 5). The motion was seconded by Frank La Rosa and it carried with no opposition.</td>
<td>Hospitalist Update 5/14/09, Quality CoW</td>
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<td>MEDICAL STAFF RECOMMENDATIONS</td>
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<td>Gulf Coast Medical Center</td>
<td>Richard Akin asked for approval of the Gulf Coast Medical Center Medical Staff Recommendations of April 14, 2009 (Exhibit 3).</td>
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<td>Lee Memorial Hospital/HealthPark Medical Center</td>
<td>Richard Akin asked for approval of the Lee Memorial Hospital/HealthPark Medical Center Medical Staff Recommendations of April 14, 2009 (Exhibit 4).</td>
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<td>Cape Coral Hospital</td>
<td>Richard Akin asked for approval of the Cape Coral Hospital Medical Staff Recommendations of April 14, 2009 (Exhibit 5).</td>
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<td>CONSENT AGENDA</td>
<td>Richard Akin asked if anyone wished to pull any items listed on the Consent Agenda (Exhibit 6) for discussion. Jim Humphrey requested to pull Consent Agenda item #6: A Board Directive to discontinue televising the Lee Memorial Health System Board of Directors and Lee County Trauma Services District Board meetings and to also discontinue use of the Lee County Public Education Center for meetings effective April 30, 2009, based on a coordinated date as per the contractual agreement with the Lee County Public Education Center. With regard to Consent Agenda item #6: A Board Directive to discontinue televising the Lee Memorial Health System Board of Directors and Lee County Trauma Services District Board meetings and to also discontinue use of the Lee County Public Education Center for meetings effective April 30, 2009, based on a coordinated date as per the contractual agreement with the Lee County Public Education Center.</td>
<td>A motion was made by Dawson McDaniel to approve the remainder of the Consent Agenda (Exhibit 6). 1. Acceptance of the FY 2008 Annual Medication Error Summary Report for LMHS Acute Care facilities. 2. Approval of the Physician Communication Plan, which addresses concerns with physician communication and provides tools to strengthen relationships between the System and physicians. 3. Approval of revisions made to the Lee Wound Care Lease which includes: 1) Changes to the effective date of agreement from December 1, 2008 to March 31, 2009, 2) Revisions to the definition of delivery date and 3) Deposit requirements (first and last months rent plus a security deposit). 4. Approval of the Cross Access Easement connecting the surrounding leased premises to the Gulf Coast Medical Center property, which is required for the closing of the Lease. 5. Acceptance of the LMHS System Strategic Scorecard for FYTD February 2009. 6. Item pulled for discussion by Jim Humphrey. 7. Adoption of Board Policy 20.17K: Financial Goal Policy. 8. Acceptance of the Financial and Statistical Reports for March 31, 2009. The motion was seconded by Marilyn Stout and it carried with no opposition.</td>
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With regard to Consent Agenda item #6: A Board Directive to discontinue televising the Lee Memorial Health System Board of Directors and Lee County Trauma Services District Board meetings and to also discontinue use of the Lee County Public Education Center for meetings effective April 30, 2009, based on a coordinated date as per the contractual agreement with the Lee County Public Education Center.
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<td>Jim Humphrey said he would like to clarify the motion, which states the effective date of discontinuing the use of the Lee County Public Education Center is April 30, 2009. He said since the final meeting is today, April 30th, he requests the motion to read the discontinuation of use of this facility is following the April 30, 2009 Full Board of Directors meeting.</td>
<td>A motion was made by Marilyn Stout to approve a Board Directive to discontinue televising the Lee Memorial Health System Board of Directors and Lee County Trauma Services District Board meetings and to also discontinue use of the Lee County Public Education Center for meetings following April 30, 2009, based on a coordinated date as per the contractual agreement with the Lee County Public Education Center. The motion was seconded by Linda Brown and it carried with no opposition.</td>
<td>Cathy Stephens Thank you letter to Lee County School Board</td>
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<td>Richard Akin thanked Dr. Browder and all the staff at the Lee County Public Education Center for working collaboratively with the Board on providing the utmost professionalism and hard work for the success of our Full Board of Directors meetings each month. Marilyn Stout requested a letter of appreciation be sent to Dr. Browder and the staff at the Lee County Public Education Center.</td>
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<td>A motion was made by Marilyn Stout to approve a Board Directive to discontinue televising the Lee Memorial Health System Board of Directors and Lee County Trauma Services District Board meetings and to also discontinue use of the Lee County Public Education Center for meetings following April 30, 2009, based on a coordinated date as per the contractual agreement with the Lee County Public Education Center. The motion was seconded by Linda Brown and it carried with no opposition.</td>
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<td>SUPPORTING AGENCY BUSINESS</td>
<td>There was NO “Supporting Agency Business”.</td>
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<td>Richard Akin thanked Anna Sonderman and Nora Harmon for attending the meeting.</td>
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<td>OLD BUSINESS/ NEW BUSINESS</td>
<td>Frank La Rosa thanked Doug Luckett, Cathy Stephens, Karen Krieger, and all others from LMHS who participated in the Harley Davidson Easter Bunny Toy Run on April 11, 2009. He said there were more than 800 bikers who rode their bikes in the Toy Run. He also thanked the Harley Davidson staff for orchestrating this amazing event. Cathy Stephens said the Harley Davidson group will be recognized for their support in this great cause at the May 28th Full Board of Directors meeting.</td>
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<td>Board Meeting Location</td>
<td>Richard Akin said location for the upcoming Board of Directors meeting has not yet been determined. He said if it is the Board’s pleasure, he will determine location for the next Board of Directors meeting in May and will notify the Board as soon as possible of the upcoming Board meeting schedule and location.</td>
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<td>Ryan McCleskey Redfish Tournament</td>
<td>Frank La Rosa announced the Ryan McCleskey Redfish Tournament is coming up on May 16th and encouraged the Board to participate. He said the proceeds benefit Barbara’s Friends and The Children’s Hospital. He said please contact the LMHS Foundation if you have any additional questions.</td>
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<td>PRESIDENT’S REPORT Board Meeting Location</td>
<td>Jim Nathan thanked all involved in holding the Board of Directors meeting’s at the Lee County Public Education Center. He said this was a collaborative effort between the School Board and LMHS, which served our Board greatly. He said he supports the idea of rotating the Full Board meetings at the hospital campuses. He said this will be more convenient for LMHS leaders and staff to attend the Full Board meetings.</td>
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<td>Jim Nathan reviewed highlights in the President’s Report of April 30, 2009 (Exhibit 7), which included the following:</td>
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<td>American Hospital Association (AHA) Conference Washington, D.C</td>
<td>Marilyn Stout said she recently attended the American Hospital Association (AHA) conference in Washington, D.C. with Nancy McGovern, Linda Brown, and Cathy Stephens. She said there were great speakers and this was a great opportunity to speak with elected officials. She said they had opportunities to speak with many Senators whom she felt were interested and open to ideas and discussion. Linda Brown said this was a powerful experience and this year’s conference provided a great opportunity to be heard by congressman and senators who were all very helpful and welcoming to them.</td>
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<td>Thank you John Wiest</td>
<td>Marilyn thanked John Wiest for being the financial leader for the System and for his knowledgeable contribution to other leaders in healthcare.</td>
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<td>Lee Healthcare Resources Update</td>
<td>Dawson McDaniel provided an update on the recent activities of Lee Healthcare Resources. He said he celebrated with Cypress Cove’s ten-year anniversary and encouraged their continued hard work in the future. He said they have recently been inspected by AHCA and all inspections were successful.</td>
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<td>LMHS Service Award Banquets</td>
<td>Dawson said he attended the various Service Award Banquets held throughout this month for volunteers and staff. He said he appreciates the hard work and dedication of the LMHS volunteers and staff.</td>
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<td>BOARD LIASON REPORT</td>
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<td>LMHS Board of Directors ‘Doc Coggins’ Award</td>
<td>Cathy Stephens said tomorrow, May 1st is the kick-off to the LMHS Board of Directors ‘Doc Coggins’ Award. She said the nomination process will go from May 1st through June 30th and encouraged System leaders and staff to nominate any outstanding non-management employee. She said nomination forms can be found at all hospital campus cafeterias or on the intranet at forms management. She said if you have any questions please call the Board office.</td>
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<td>May Board Calendar</td>
<td>Cathy reminded the Board the May 7th Governance Committee meeting has been cancelled. She reviewed the May Board Calendar (Exhibit 8) highlighting meetings and special events being held throughout the month.</td>
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<td>Board Meeting Documents</td>
<td>Cathy said all documents pertaining to the meeting can be reviewed on the LMHS Board of Directors website <a href="http://www.leememorial.org/boardofdirectors">www.leememorial.org/boardofdirectors</a>.</td>
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<td>Special Thanks to LCPEC</td>
<td>Cathy gave a special thanks to the LCPEC video team for their support in organizing the Full Board of Directors meeting and for providing a great experience for the LMHS Board.</td>
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<td>NEXT REGULAR MEETING</td>
<td>The date of the next REGULAR meeting of the Lee Memorial Health System Board of Directors is Thursday, May 28, 2009, location to be determined.</td>
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<td>ADJOURNMENT</td>
<td>The Lee Memorial Health System Board of Directors Meeting was ADJOURNED at 5:09 p.m. by Richard Akin Board Chairman.</td>
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Minutes were recorded via DVD by Beth Finney, Executive Secretary/Board of Directors Office.

Linda Brown, MSN, ARNP
Interim Board Secretary
HealthPark Medical Center
Operations Report to the Board of Directors
Donna Giannuzzi, Chief Administrative Officer
May 28, 2009

For Fiscal Year To Date through April 30, 2009

Key Facility Statistics:
- **Admissions**: Budget = 12,965  Actual = 13,355  (+3.0% Variance)
- **Average Length of Stay**: Budget = 4.55 days  Actual = 4.84 days (-6.3% Variance)
- **ER Visits**: Budget = 30,116  Actual = 32,917 (+9.3% Variance)
- **Surgery Cases**: Budget = 6,330  Actual = 6,600 (+4.3% Variance)
- **Gain from Operations**: Budget = $49.3 million  Actual = $48.8 million ($500 variance or -1.0% Variance)

Patient Satisfaction:
The inpatient patient satisfaction “likelihood to recommend” score for October ’08 to April ’09 is 89.8.
Emergency Services is 78.5.

Highlights

*Women’s and Children*
- Plans are being developed to open Cape Coral Hospital Pediatrics in fall 2010 to help prevent diversion of pediatric patients to Tampa and Miami.
- Dr. Krouk, pediatric psychiatrist, has been hired to assist in the discharge and out-patient placement of baker act patients.
- Summary of Foundation and TCH Fundraising efforts this past quarter;
  - Boston Red Sox events raised $582,000
  - Southwest Florida Wine Fest raised $600,000
  - Sanibel-Captiva cares raised $400,000
  - Naples Wine Fest grant for TCH Advocacy Program $ 150,000
- Michele King, Program Director for Child Advocacy, received the Prendergast Child Advocate of the Year award.
- Received delivery of the Neonatal Ambulance that was funded by the Naples Wine Fest and Sanibel-Captiva Cares (2008 funds).
- Friday May 15, 2009 we hosted The Patient and Family Centered Care (PFCC) Workshop at HP. PFCC will support improved patient safety, quality of care, patient satisfaction, and HCAHPS. The three units within LMHS to roll out phase one of PFCC are;
  - Pediatric Intensive Care Unit (TCH)
  - 7 West at HP (nursing redesign unit)
  - 5 North at LMH (nursing redesign unit)
- The Annual NICU Excellence Conference will be held Thursday and Friday May 28 and May 29 at Diamond Head on Ft. Myers Beach.
HealthPark continues to be a leader in minimally invasive cardiac surgery and serves as a national training site led by Drs Hummel and DiGiorgi. On May 1st there were surgeons and teams from:
- Lancaster Medical Center, Lancaster, PA,
- Tulane Hospital, New Orleans, LA,
- McLeod Hospital, Florence, SC.

The Endovascular lab continues to be the top enroller in the worldwide carotid stent Sapphire Study. HealthPark Medical Center was tied for patient volumes #1 in March with Wake Med in Raleigh, NC and in April HealthPark Medical Center alone was #1. (Dr Eskioglu is the only MD enrolled in the clinical study at LMHS).

Endovascular lab volumes are 18% over fiscal year 2008 and 22% over budgeted volumes for fiscal year 2009.

Our current volume of cerebral aneurysms this year ranks us with the top academic centers in the nation.

The HealthPark Radiology Nuclear Medicine department installed a new Philips Skylight dual head gamma camera in mid March. The capacity of the department has increased so there is now one single head and two dual head cameras. Dual head cameras are essential for performing nuclear cardiac stress tests. The addition is significant in meeting the capacity restraints that were experienced in prior years. The functionality of this camera actually allows HealthPark Radiology to do two separate patients on the camera at the same time. Nuclear medicine staff is grateful for their new camera and new work space.

Patient Care Services


- The following nurses were recognized as 2009 Nursing Excellence Recipients:
  - Kettely Devariste, RN, BSN – TCH NICU
  - Terrie McKelvie, RN, BSN – HPMC OB/OR Women and Children
  - Carolyn Craig, RN, BSN – TCH Outpatient Pediatric Oncology and Hematology
  - Merlena Morgan, RN – GCMC Women’s Care
  - Rosemary Gardner, RN – GCMC General Medicine
  - Mary Ann Orlang, RN, MSN, AOCNS—LMH Oncology
  - Pat Ringsmuth, RN – LMH, SICU
  - Otoniel Vazquez Hernandez, RN, BSN – The Rehabilitation Hospital
  - Carol Rothman, RN, BS, MBA – Home Health
  - Christy Brancazio, RN, OCN – Outpatient Regional Cancer Center
  - Donna Dolorfino, RN – CCH Emergency Services
  - Dorothy Taylor, RN, BSN – CCH ICU
  - April Frye, RN, BSN – HPMC PACU
  - Domenica Conover, RN, CCRN – HPMC SICU

- Renee Galik, RN from Gulf Coast Medical Center was recognized on May 9, 2009 by District 7 Florida Nurse Association as Nurse Exemplar of the year.

- Carol Lawrence, RN and Dr. Ann Nolan recently received notification that the Journal of Gynecological Nursing will publish their manuscript on the MIMS research study – “A Study of a Nursing Intervention Protocol to Minimize Maternal Infant Separation after Cesarean Birth”.
Key Facility Statistics Include:

- **Admissions** YTD budget 6,541, YTD actual of 7,307 (over budget by 11.7%)

- **Average LOS** YTD budget 5.01 days, YTD actual 5.39 days (7.5% variance)

- **ER Visits** YTD budget 27,783, YTD actual 26,952 (under budget by 3.0%)

- **ER Admits** YTD budget 4,795, YTD actual 6,107 (over budget by 27.4%)

- **Surgery Cases** LMHS System Budget 2009 YTD 24,717, actual YTD 23,631, 1,574 cases under budget (3.7%). LMH budget YTD 5,676, actual cases 5,602 YTD (<74 cases or 2% under budget YTD). Continuing to see a shift in uncomplicated spine cases to an outpatient status within LMH. Neurosurgical volumes are up 30% over 2008, Orthopedic volumes up 9% over 2008. *Includes Endovascular Cases

- **New Surgeon Volume** 4% YTD (2008 YTD 4%)

- **Gain From Operations** budget YTD $14.4 million – YTD actual $19.1 million (up 32.2%)

- **Strong April** - Admissions 13% over prior year, 14% over prior year patient days

**Patient Satisfaction – Second Quarter**

- Inpatient patient satisfaction likelihood to recommend score is 81.4.

- The Emergency Department patient satisfaction overall rating score is 76.1. Significant drop due to patients and families expressed dissatisfaction with holding in the ER. Management team in process of planning to open 2-West as a nursing unit next season.

**Highlights For Second Quarter 2009**

- The Spine Unit on 2 West opened late June. The Spine Center has had 933 patients participate in the program. The program includes pre-surgery education classes, contact with the Spine Center Coordinator, and follow-up phone calls after discharge from the hospital. The Spine Center continues to have a very positive response from patients and family. The Outpatient Spine Center will open at The Sanctuary on Colonial Blvd. June 1. The team will consist of a Physiatrist, Physical Therapist and a Nurse Navigator. A marketing plan has been developed.

- The 3 West 15-bed Senior Behavioral Health unit continues to identify and evaluate appropriate patients to be treated on this unit. Jennings Behavioral Health partial psychiatric hospitalization program in process and 69 patients have been referred to the program. The referred patients had a 39% retention rate in the program for 6-14 days. A review of the process and success of the program occurred in May. Only two patients who participated in the program have returned to the ED (events not related to a psychiatric diagnosis). Client satisfaction with the JBH program continues to rate at a high level.

- The All Star Total Joint Program continues to grow in volume with high patient satisfaction outcomes. The panel of four Orthopedic Surgeons continues to work closely with the CAOs and LeeSar to evaluate the success of the Joint Implant Matrix and to address the introduction of new implant technology. The entire process and relationships are moving in a positive direction. When there are issues with implant vendors, the panel is notified and then gives direction to the management team.

- The Infusion Center located in the MOC at LMH reopened on May 13. The Center reopened to accommodate patients from the System who need antibiotic therapy on a outpatient basis and can be discharged from the Acute Care Hospital and then treated as an outpatient. Opening the Center will help to decrease LOS with more appropriate care being delivered in the outpatient setting.
MEDICAL STAFF BUSINESS
DATE: May 19, 2009

LEGAL SERVICE REVIEW? YES ___ NO ___

SUBJECT: CCH, GCMC & LMHS Medical Staff Bylaws Revisions (Part III, 3.1 and 11.3)

REQUESTOR & TITLE: Sandra L. Wharton - System Director, M.S.S.

PREVIOUS BOARD ACTION ON THIS ITEM (IF ANY)
(justification and/or background for recommendations - internal groups which support the recommendation i.e. SLC, Operating Councils, PMTs, etc.)

On March 26, 2009, the Board approved the proposed Medical Staff Bylaws except Part III, Section 3.1 and Section 11.3, with the stipulation that these bylaws will become effective only at such time as the Medical Staffs and Board approve Part III, Section 3.1 and Section 11.3

SPECIFIC PROPOSED MOTION:
Motion requested to approve the Bylaws revisions to Part III, 3.1 and 11.3 - attached.

PROS TO RECOMMENDATION
CCH, GCMC and LMHS Medical Staffs recommend approval.

CONS TO RECOMMENDATION

LIST AND EXPLAIN ALTERNATIVES CONSIDERED
Board Chairman convened several meetings with PLC Chairman, 3 M.S. Presidents, Board and M.S. attorneys. After many hours of discussion, group recommended revisions as reasonable proposal in regards to exclusive contracting.

FINANCIAL IMPLICATIONS
Budgeted ____ Non-Budgeted ____
(including cash flow statement, projected cash flow, balance sheet and income statement)

OPERATIONAL IMPLICATIONS (including FTEs, facility needs, etc.)

SUMMARY
Bylaws revisions to Part III, 3.1 and 11.3 complete the proposed M.S. Bylaws for CCH, GCMC, HPMC, LMH and TCH Medical Staffs.
<table>
<thead>
<tr>
<th>3.1</th>
<th><strong>Pre-Application Process</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Only those practitioners that meet the following minimum criteria for appointment to the Medical Staff will be provided applications. Practitioners provided applications will be those:</td>
</tr>
<tr>
<td></td>
<td>• Providing services which are not governed by an exclusive arrangement or who are joining a group providing services governed by an exclusive arrangement; or</td>
</tr>
<tr>
<td></td>
<td>• Who meet the minimum criteria as developed by the Credentials Committee and approved by FMECs and the Board.</td>
</tr>
<tr>
<td></td>
<td>The purpose for the pre-application screening process shall be to avoid the costly and time-consuming application process in those circumstances where an applicant fails to meet minimum eligibility criteria. Practitioners who do not meet the minimum eligibility criteria for appointment are not entitled to fair hearing rights. The Credentials Committee shall review all requests for application and determine whether the criteria for issuing an application have been met.</td>
</tr>
<tr>
<td>11.3</td>
<td><strong>Contract Services/Department or Service Closure</strong></td>
</tr>
<tr>
<td>-------</td>
<td>---------------------------------------------------</td>
</tr>
<tr>
<td>11.3.1</td>
<td>The membership and privileges on the Medical Staff of any practitioner who has a contractual relationship with the System or with an entity that has a contractual relationship with the System to provide professional services to patients shall be subject to those provisions contained in said contract with regard to the termination of Medical Staff membership and privileges upon the expiration, lapse, cancellation or termination of the contract. If the contract so provides, the affected practitioner shall have no right to a hearing regarding termination of Medical Staff membership or privileges.</td>
</tr>
<tr>
<td>11.3.2</td>
<td>In the event a hospital department is closed, discontinued or provided through an exclusive contract, such establishment shall not adversely impact the ability of any physician to continue to maintain clinical membership and exercise privileges in existence at the time of such closure, discontinuance or exclusive contract. Initial applications for Medical Staff membership and privileges will not be extended, provided, accepted, processed or approved to or from physicians unless they are joining groups who are actively contracted for exclusively contracted services.</td>
</tr>
<tr>
<td>11.3.3</td>
<td>In the event the Board determines that a patient care service shall be closed, discontinued, or provided through an exclusive contract, such action shall require approval by the affected FMEC. Both parties agree that any department or service closure shall occur solely so that the health and wellbeing of the patients and the best interests of the hospitals under these Bylaws may at all times be served. If the Board and the affected FMEC are unable to agree upon the closure of a department or service, the matter shall undergo the conflict resolution process set forth in Part I, Section 9 of these Bylaws. Notwithstanding any other provision in the bylaws, if the parties are still in disagreement regarding the closure of a department or service upon completion of the conflict resolution process, the parties shall engage in mediation in accordance with the procedures set forth by the American Health Lawyers Association’s Alternative Dispute Resolution Service or another independent mediation service mutually agreeable to the parties. In the event the Board and FMEC are at impasse at mediation and conflict remains, the Board and the FMEC retain the right to seek a resolution through litigation. Further, the Board shall not close a department or service for a period of three months following impasse at mediation.</td>
</tr>
</tbody>
</table>
Physician Leadership Council (PLC) Report
(Tom Presbrey, M.D., PLC Chairman)

(ACCEPT)

(There is no documentation at this time.)
The regular PLC meeting was held May 18th at Cape Coral, Healthpark, and the Lee Cleveland campus with videoconferencing.

1. Medical Staff Bylaws Update
   Well after nearly two years of work by many individuals, a unified set of Medical Staff Bylaws was passed by the Medical Staff at each campus. I have to take the opportunity to express great thanks to many people involved in this process along the way. It all started with the appointment of a Task force chaired by Dr. Steve Levine who worked tirelessly on behalf of the Medical Staff. These people with the help of Mary McGillicuddy and Medical Staff lawyer Jeff Cohen produced a document that was nearly 100% complete. A nearly unanimous vote of approval was given by the Medical Staff.

   More recently you are all aware of the finishing touches applied by Brett Shannon, Gary Correnti, Tim Dougherty, Mary McGillicuddy, Board Counsel Jack Diamond, Jeff Cohen, and Board Chairman Richard Akin. These last elements were again approved by the Medical Staff nearly unanimously in a second round of voting. And of course I don’t think any of it would have happened without the never failing efforts of Sandy Wharton who deserves great thanks.

2. Summary of MEC Meetings
   - GCMC – Dr. Correnti – May 11th, 2009
     - ICU policy passed that a patient must have a physician contact within 6 hours of admission.
   - CCH – Dr. Reardon – May 14th, 2009
     - Prolonged discussion concerning an ER physician who has applied for privileges to be a hospitalist. He already has admitting privileges as a toxicologist. This has led to a further discussion concerning the Hospitalist Standards in general.
   - LMHS – Dr. Shannon – May 13th, 2009
     - Medical Staff bylaws were actually approved at this meeting under there former rules.
All three MECs are happy to report that for the first time in quite some time, there will be continuous coverage by Plastic Surgery for call issues. Each will do no more than 2 per month for 20 years but one individual is taking 12 calls per month.

3. PLC Board Consultants Reports
   - Planning Committee May 14th, 2009
     - 2009 planning principles include
       - Focus on key performance improvement initiatives
       - Strengthen regional vision for children’s services
       - Strengthen physician relations and communication
       - Grow selective market share (inpatient/outpatient)
   - Quality and Education May 14th, 2009
     - Pandemic flu plan update
     - Hospitalists Standards

4. PLC Meeting Summary
   We had a prolonged discussion concerning the Hospitalist Standards issue. We have already had one Task Force take up this issue and work concerning the definition of a hospitalist, the qualifications, standardized practices and goals, assessments of performance, and communication issues. This process is not just a local issue. There are really no standards in place anywhere in the country. This is an evolving and newly forming specialty that is having an enormous impact on the delivery of patient care in hospitals. National organizations are forming and those established are looking into these issues. I will keep you updated as this goes along.

   Brief report on the upcoming Patient Safety Initiative was given by Jim Nathan and Chuck Krivenko. Hand hygiene and infection control, Universal Protocol, behaviors affecting patient safety, and consultative services availability

Next PLC is expected to be June 17th, 2009. Thank you for your attention.

Tom Presbrey, MD  PLC Chairman
To: Board of Directors  
From: Sandra L. Wharton, CPMSM, CPCS  
System Director, Medical Staff Services  
Subject: Lee Memorial Health System (Lee Memorial Hospital and Health Park Medical Center) Medical Staff Recommendations  
Date: May 15, 2009

The Executive Committee of the Medical Staff recommends the following physicians and allied health practitioners and certifies they have met the requirements set forth in the bylaws:

1. Affiliate Staff Appointments:  
   a. Charles Camisa, M.D. – Dermatology  
   b. Eliza Hueda, M.D. – Pediatrics  
   c. Mark McAllister, M.D. – Family Practice

2. Provisional Staff Appointment:  
   a. Rakesh Koul, M.D. – Family Practice

3. Advancement from Provisional to Active Staff:  
   a. Denise C. Thurling, M.D. – Emergency Medicine

4. Change of Status:  
   a. Donald Swanson, D.O. – Family Practice, Provisional to Affiliate

5. Leave of Absence:  
   a. Jayshree Ganatra, M.D. – Ped. Gastroenterology, maternity leave 04-21-09 to 06-07-09

6. Resignation:  
   a. Aiad Alsakaf, M.D. – Internal Medicine, effective 05-01-09

7. Allied Health Practitioners:  
   a. Deanna Overbeck, ARNP – Associates in Neonatology  
   b. Vajaidha Vasquez, ARNP – Florida Heart Associates  
   c. Lenni Fugazy, PA – Hospitalist Group of SW Florida  
   d. Karen Woods, ARNP – Dr. Mazzorana  
   e. Ashokkumar Chaudhari, PA – add Dr. Chavakula  
   f. Mary Hoke, ARNP – add Dr. Conrado  
   g. Shirley Govender, ARNP – change to Dr. Raj Mahadevan  
   h. Geriann Meandro, PA-C – change to Dr. Teufel
9. Practitioners-in-Training:
   a. **Jason Ford** – Nurse Practitioner student with Dr. Feroz, 05-16-09 to 07-17-09
   b. **April McCann** – Nurse Practitioner student with Dr. Libbey, 05-16-09 to 07-17-09
   c. **AnnMarie Guglielmi** – Nurse Practitioner student with Dr. Feroz, 05-16-09 to 07-17-09
   d. **Stephanie Loving** – PA student with Dr. Vieux, 05-11-09 to 06-17-09
   e. **Donald Altenberg** – PA student with Dr. Pescitelli, 05-11-09 to 06-17-09
   f. **Daniel Murphy** – PA student with Dr. Kokal, 05-11-09 to 06-19-09
   g. **Linsey Seubert** – PA student with Dr. Fish, 05-11-09 – 06-17-09
   h. **Kristen Osterrieder** – PA student with Dr. Howell, 05-11-09 – 06-17-09
   i. **Dimple Desai** – PA student with Dr. Howell, 05-11-09 – 06-17-09
   j. **Ashley Rahn** – PA student with Dr. Rios, 05-11-09 to 06-17-09
   k. **Elizabeth Erbaio** – PA student with Dr. Rios, 05-11-09 to 06-17-09
   l. **Michael Dale** – PA student with Dr. Alea, 05-11-09 to 06-17/09
   m. **Elizabeth DuBois** – PA student with Dr. Jean-Baptiste, 05-11-09 to 06-17/09
   n. **Dee Steeb** – PA student with Dr. Miller, 05-11-09 to 06-17-09
   o. **Tina Likou** – PA student with Dr. Figueredo, 05-11-09 to 06-17-09
   p. **Dolan Abu-Aouf** – PA student with Dr. Kole, 05/11/09-06/17/09
   q. **Rhonda Karl** – Nurse Practitioner student with Dr. Feroz, 05-16-09 to 07-17-09

Approved by the Board of Directors – May 28, 2009

________________________________________
Richard B. Akin, Chairman - Board of Directors
To: Board of Directors

From: Sandra L. Wharton, CPMSM, CPCS
System Director, Medical Staff Services

Subject: Gulf Coast Medical Center
Medical Staff Recommendations

Date: May 15, 2009

The Executive Committee of the Medical Staff recommends the following physicians and allied health practitioners and certifies they have met the requirements set forth in the bylaws:

1. **Provisional Staff Appointments:**
   a. Eliza Hueda, M.D. – Pediatrics
   b. Rakesh Koul, M.D. – Family Practice

2. **Intrasystem Appointment to Active Staff:**
   a. Khalid Sabha, M.D. – Family Practice

3. **Privilege Request:**
   a. Ariel Figueredo, M.D. – OB/Gyn., addition of Gynecologic Cystoscopy

4. **Advancement from Provisional to Active Staff:**
   a. Rashida Loya, M.D. – Anesthesiology

5. **Change of Status:**
   a. F. Brett Shannon, D.O. – Orthopedic Surgery – Courtesy to Active
   b. Joseph Petteruti, D.O. – Family Practice – Active to Consulting

6. **Leave of Absence Extension:**
   a. Aneeta Samuel, M.D. – Internal Medicine, 05-1-09 to 07-31-09

7. **Resignations:**
   a. Aiad Alsakaf, M.D. – Hospitalist, effective 05-01-09
   b. Lloyd Caudill, M.D. – Radiology – effective 04-03-09
   c. Victor Gregory, D.O. – Radiology – effective 06-10-09
   d. Marlene Moulton, M.D. – Internal Medicine, effective 04-27-09
   e. Philip Roland, M.D. – Gynecologic Oncology, effective 03-13-09
8. **Allied Health Practitioners:**
   a. **Karen Woods, ARNP** – Dr. Mazzorana
   b. **Lenni Fugazy, PA** – Hospitalists Group of SW Florida, Dr. Rodi
   c. **Shirley Govender, ARNP** – change to Dr. Raj Mahadevan
   d. **Ashokkumar Chaudhari, PA** – addition of Dr. Chavakula

Approved by the Board of Directors – May 28, 2009

_________________________________________
Richard B. Akin, Chairman, Board of Directors
To:         Board of Directors

From:      Sandra L. Wharton, CPMSM, CPCS
           System Director, Medical Staff Services

Subject:    Cape Coral Hospital Medical Staff Recommendations

Date:       May 15, 2009

The Executive Committee of the Medical Staff recommends the following physicians and allied health practitioners and certifies they have met the requirements set forth in the bylaws:

1. Provisional Staff Appointment:
   a. **Rakesh Koul, M.D.** – Family Practice

2. Resignations:
   a. **Aiad Alsakaf, M.D.** – Internal Medicine, effective 05-01-09
   b. **Marlene S. Moulton, M.D.** – Internal Medicine, effective 04-27-09

3. Allied Health Practitioners:
   a. **Yajaida Vasquez, ARNP** – Florida Heart Associates
   b. **Karen Woods, ARNP** – Dr. Mazzorana
   c. **Mary Hoke, ARNP** – addition of Dr. Conrado
   d. **Shirley Govender, ARNP** – change to Dr. Raj Mahadevan
   e. **Lenni Fugazy, PA** – addition of Hospitalist Group of SW FL
   f. **Geriann Meandro, PA-C** – Dr. Teufel

4. Practitioners-in-Training:
   a. **Jason Ford** – Nurse Practitioner student with Dr. Feroz, 05-12-09 to 07-17-09
   b. **April McCann** – Nurse Practitioner student with Dr. Libbey, 05-16-09 to 07-17-09
   c. **AnnMarie Guglielmi** – Nurse Practitioner student with Dr. Feroz, 05-16-09 to 07-17-09
   d. **Rhonda Karl** – Nurse Practitioner student with Dr. Feroz, 05-16-09 to 07-17-09
   e. **Donald Altenberg** – PA student with Dr. Pescitelli, 05-11-09 to 06-17-09
   f. **Ashley Rahn** – PA student with Dr. Rios, 05-11-09 to 06-17-09
g. **Elizabeth Erbaio** – PA student with Dr. Rios, 05-11-09 to 06-17-09
h. **Michael Dale** – PA student with Dr. Alea, 05-11-09 to 06-17-09
i. **Elizabeth DuBois** – PA student with Dr. Jean-Baptiste, 05-11-09 to 06-17-09
j. **Dee Steeb** – PA student with Dr. Miller, 05-11-09 to 06-17/09
k. **Tina Likou** – PA student with Dr. Figueredo, 05-11-09 to 06-17-09
l. **Dolan Abu-Aouf** – PA student with Dr. Kole, 05-11-09 to 06-17-09

Approved by the Board of Directors, May 28, 2009

________________________________________________

Richard B. Akin, Chairman – Board of Directors
May 14, 2009 Planning Committee of the Whole:
1. Approval of the LMHS Strategic Scorecard for FYTD March 2009.
2. Approval of the following 2009 LMHS Planning Principles:
   ➢ Focus on key performance improvement initiatives; Strengthen regional vision for
     children’s services; Strengthen physician relations and communications; Grow selective
     market share (inpatient/outpatient)

May 14, 2009 Quality & Education Committee of the Whole:
5. Approval of the System Policy: Medical Identity Theft/Patient Misidentification.
7. Acceptance of the FY 2009 1st Quarter Organizational Performance Measure Scorecard.

May 21, 2009 Finance Committee of the Whole:
8. Adoption of Board Policy 20.16D: Consultants Competitive Negotiation Act Policy.
9. Approval of the additional capital expenditure of $300,000 for leasehold improvements specific to Lee Wound Care facility needs.
12. Approval to authorize Jim Nathan, CEO and Marilyn Stout, Treasurer of LMHS Board to sign a letter of guarantee for up to one-half the cost ($211,980) to enable Bonita Community Health Center to lease a new 16 slice CT. This letter of guarantee and lease is contingent upon LMHS System counsel and Board counsel review.
13. Approval of the proposed bid and contract forms relating to the demolition of the Southwest Florida Regional Medical Center:
   ➢ Announcement of Intent to pre-quality general contractors for SWFRMC demolition.
   ➢ General Contractor qualification questionnaire.
   ➢ Evaluation of qualifications/ranking sheet (Max. number of short-listed General Contractors to be 15)
   ➢ Construction Contract to be used for SWFRMC Demolition Project
14. Approval to endorse transferring LMHS Sterile Processing Department to Leesar’s Central Sterilization Facility when construction is completed.
15. Approval to allow LeeSar to finance, construct, and operate a Cook Chill Production Center designed to support the patient care and retail needs of LMHS. Facility to be jointly managed by LeeSar and LMHS Food and Nutrition.
16. Approval for funding to proceed with the EPIC project as follows:
   1) EPIC Electronic Medical Records (EMR), EPIC Revenue Cycle and other applications to be implemented at Gulf Coast Medical Center, followed by HealthPark Medical Center, Lee Memorial Hospital and Cape Coral Hospital.
   2) EPIC EMR applications in LMHS Employed Specialists (MSO) physician offices.
   3) Pilot implementation of EPIC EMR/Billing system for up to 10 Community Physicians.

17. Acceptance of the 1\textsuperscript{st} Qtr, FY 2009 Quarterly Investment Performance Report with review of the Risk Tolerance Questionnaire Survey Results.

18. Approval of the volume assumptions and projections for use in developing the LMHS FY 2010 Budget.


21. Adoption of the following Board policies:
   - 20.06C: Contracts (Purchase, Sale, Transfer or Lease)
   - 20.09I: Capital Assets: Authorization, Expenditures and Disposal

22. Approval to Retire the following Board policies:
   - 20.03B - Construction/Remodeling Policy
   - 20.04B - Equipment/Services Purchased
   - 20.05B - Purchase of Emergency Capital Equipment
   - 20.07B - Approvals Required (See 20.03B, 20.04B, 20.05B, 20.06B, 20.09H)
   - 20.10B – Disposal of Surplus Equipment
Supporting Agency Business

There is no Supporting Agency Business at this time.
OLD BUSINESS
NEW BUSINESS
General Legislative Update
(Keith Arnold, Government Liaison)
Lee Memorial Health System
Board of Directors
Legislative Budget Discussion

May 28, 2009
Prepared by

J. KEITH ARNOLD & ASSOCIATES
GOVERNMENTAL CONSULTANTS

&
Jim Zingale, Ph.D.
2009 Session Summary

- Unprecedented $6 Billion State Deficit
- Economic Indicators
- Federal Stimulus Dollars
- 2009 State Budget Actions
- 2009 Substantive Legislative Actions
- Moving Forward
Lawmakers entered this Session with a $6 billion budget deficit due to a slumping housing market, depreciating property values, and rising unemployment.

Florida leads the nation in home foreclosures in 2009.

Outdated tax base relies on growth and sales tax.

* Source: Mortgage Bankers Association, March 2009
State Budget Deficit, Cont’d

♦ The FY 2009-10 budget is $66.5 billion compared to $74 billion in FY 2006-07.

♦ Lawmakers took budget reductions last year and further reductions in a Special Session earlier this year (2009 A).

♦ Florida has been hit particularly hard by the housing crisis because of our historic reliance on construction and growth.
State Budget Deficit, Cont’d

- 2009 Balanced Budget Breakdown:
  - $1 billion raised in fee, fine, and tax increases
  - $994 million increase in fines and fees to motorists
  - $295 million increase in court fees
  - $5.6 billion utilized in federal stimulus dollars
  - $588 million swept from trust funds
Documentary Stamps Collected in Florida
FY 2001-2008

Source: Florida Department of Revenue
Sales & Use Tax Collections FY 2000-08

Source: Department of Revenue Collection Report 2008 Summary
Florida’s Population Change 1950-2010

Source: Office of Economic and Demographic Research, Florida Demographic Summary
The table below demonstrates the dramatic reduction of people moving to Florida over the past five years.

<table>
<thead>
<tr>
<th>Net Migration of Population 2005-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>359,546</td>
</tr>
</tbody>
</table>

Source: Office of Economic and Demographic Research, Florida Demographic Summary
Florida New Housing Starts 2004-09

Source: UCF Institute for Economic Competitiveness
Consumer sentiment is near the lowest levels ever obtained (56.3 in February 2009 versus 51.7 in May 1980). Only three months have been lower in the history of the index.

Source: EDR 'Florida An Economic Overview' March 2009
General Revenue Forecast

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>March 2009 Forecast in ($) millions</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>27,074.8</td>
<td>8.4%</td>
</tr>
<tr>
<td>2006-07</td>
<td>26,404.1</td>
<td>-2.5%</td>
</tr>
<tr>
<td>2007-08</td>
<td>24,112.1</td>
<td>-8.7%</td>
</tr>
<tr>
<td>2008-09</td>
<td>20,944.6</td>
<td>-13.7%</td>
</tr>
<tr>
<td>2009-10</td>
<td>19,998.4</td>
<td>-4.5%</td>
</tr>
<tr>
<td>2010-11</td>
<td>21,091.2</td>
<td>5.5%</td>
</tr>
<tr>
<td>2011-12</td>
<td>23,007.9</td>
<td>9.1%</td>
</tr>
<tr>
<td>2012-13</td>
<td>24,950.6</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

➢ General Revenue Forecast does not return to FY 2005-06 level in forecast horizon

Source: Economic & Demographic Research ‘Florida An Economic Overview’ March 2009
In response to the nationwide recession and growing state deficits, Congress passed the American Recovery and Reinvestment Act (ARRA) providing $13.4 billion to Florida over 3 years.

- Recovery dollars are based on Florida’s population, unemployment rate, and other factors.
- Dollars flow through state agencies, local governments, and local planning agencies.
Federal Stimulus Dollars Cont’d

- $908 million in federal stimulus for PreK-12
- $301 million for colleges and universities
- $1.95 billion in Federal Medicaid Assistance Percentage for FY 2009-10
- $1.4 billion for transportation infrastructure
- $163 million for Workforce Training
2009 Legislative Budget Action

- Budget Reductions and fee increases would have been much greater without the federal stimulus dollars.
- $1 billion shortfall even with stimulus dollars plugged into budget.
- $5.6 billion utilized in Federal Stimulus dollars in FY 2009-10 budget.
- Overall $26.04 billion was appropriated for Health and Human Services for FY 2009-10.
2009 Legislative Budget Action

- $1.6 billion of the Federal Stimulus dollars are dedicated to Healthcare in Federal Medicaid Assistance Percentage (FMAP) Funds
- Florida’s FMAP percentage increased from 55% to 68%
- Florida’s Medicaid program was funded at $18.2 billion, a $2 billion increase over last year
- $1.7 billion put into reserves from pending gambling compact and other revenues for future budget shortfalls
2009 Legislative Budget Action

- Federal Stimulus dollars utilized to fund MEDS/AD and Medically Needy programs
- Taxes on cigarettes were increased by $1 raising $988 million annually
- A $1.9 billion reduction to HHS in General Revenue was used to balance other areas of the state budget
- A surplus in the Low Income Pool program was identified at $250 million and will be distributed evenly over the next two fiscal years
2009 Legislative Budget Action

- Public Safety, Mental Health & Substance Abuse Local Matching Grant funded at $3 million
- Hospital Medicaid Reimbursement Rates reduced:
  - Inpatient reduced by 1.5% or $35.5 million
  - Outpatient reduced by 1.6% or $10.4 million
Substantive Legislative Action

- SB 1840 Cigarette Surcharge passed which increases the cigarette tax by $1 a pack, which is estimated to generate $988 million yearly.
- SB 918 KidCare passed which streamlines the application process and removes barriers to enrollment.
Substantive Legislative Action

- **HB 481 Traffic Safety** was passed which imposes additional fines for traffic violations and distributes the funds accordingly:
  - 30% to Level II Trauma Centers operated by a public hospital w/ an elected board
  - 35% to trauma centers based on caseload
  - 35% to trauma centers based on severity of injuries
- The bill is expected to generate $150 to $400 thousand annually
Substantive Legislative Action

- **HB 439 Red Light Camera** bill did not pass this session; the bill died after distribution of funding between local governments, trauma centers, and state revenue fell apart in the last hours of session.

- **HB 285 Low Income Pool** restructures the LIP Council to prohibit lobbyists from serving.
Low Income Pool Distributions for Lee Memorial Health System

- FY 09-10 LIP Gross distributions- $36.8 million
- FY 09-10 IGT contributions- $10.5 million
- FY 09-10 LIP Net distributions- $26.3 million (Net LIP = Gross LIP - IGT’s)
- Additional LIP dollars for FY 2009-10 if Medicaid Reform Waiver is approved by Feds- $2.16 million
Where Do We Go From Here?

- State budget is too reliant on population growth and tourism.
- It is highly unlikely Florida will enjoy growth equivalent to the last several decades.
- As the state becomes ‘built out’ fewer opportunities for cheap land and housing exist.
Florida’s Population growth has historically masked a flawed tax structure

Our tax structure has been referred to as a ‘Ponzi Scheme for financing government’

The Property Tax base has been further compromised by passage of Amendment 1 in 2008

State funding responsibilities for education, health & human services, infrastructure, and quality of life issues for Floridians are not being met adequately with current revenue base
Moving Forward

- Florida’s leaders should work to diversify the tax base of the state.
- Lawmakers should continue to cut spending by phasing out programs which do not work.
- Closing sales tax exemptions and extending taxes to targeted services will serve to infuse state with revenue and diversify tax structure.
- New revenues should be invested in areas which provide an investment in the future: (Infrastructure projects, K-12/Higher Education, Preventative healthcare programs).
2009 Session Overview

The 2009 Session was extended one week past the regularly scheduled ‘sine die’ of May 1, 2009. Friday, May 8th was the official end to the 2009 regular Session. Lawmakers were faced with a perfect storm of an unprecedented economic slow down and several controversial, substantive issues, which necessitated the extension of Session. In addition to the $6 billion budget shortfall this Session, leadership of the House of Representatives was thrown into turmoil with the indictment of former Speaker, Ray Sansom on official misconduct charges. Representative Sansom was slated to be the Speaker for the 2009-10 Sessions. After stepping down temporarily, the House Majority voted to replace him permanently with Speaker Pro Tempore Larry Cretul who became the new Speaker of the House.

The legislature was unable to reach a timely agreement on budget matters, the Seminole Indian Gaming Compact, or the distribution of the Cigarette Tax revenues before the end of regular Session. Budget items and related proviso, implementing bills, and conforming bills were hammered out by budget conferees during the extended week of meetings.

Lawmakers ultimately agreed to a $66.5 billion budget for FY 2009-10. The budget raises $988 million in cigarette taxes and $1 billion in other fees and fine increases, and raids trust funds for $588 million to boost reserves to $1.7 billion. The budget is heavily subsidized with $5.6 billion in federal stimulus dollars. Under the budget agreement, the House and Senate agreed to sweep $120 million from a transportation trust fund, trim about $30 million from employee salaries, including a 7% reduction to legislative salaries, a 5% cut to specified state worker salaries, and trim higher education by about $100 million more.

The Low Income Pool bill passed which re-organizes the council, prohibiting lobbyists from serving on the council and a bill to expand KidCare, an insurance program for low-income children, also passed the last week of session. The bill utilizes federal dollars to reduce waiting times for program eligibility and removes administrative barriers to the program.

A bill which raises fines for reckless driving and distributes the money to certified trauma centers passed the legislature this year. However, the Red Light Camera bill died on the chamber floor again this year, when lawmakers could not work out a compromise to the distribution formula for the new fines in the last hours of Session.
The cigarette tax, SB 1840, was passed by the legislature this Session, which will increase taxes on cigarettes by $1 a pack. The bill also increases taxes on other tobacco products which, in total, is predicted to raise $988 million annually. The money is slated to be used for Medicaid items and tobacco related illnesses.

The legislature agreed to use funds from the planned closing of a Documentary Tax loophole to fund $50 million in new bonds for Everglades restoration and to back up $250 million in previously authorized bonds for the land conservation program.

Florida Forever was not funded by the legislature (previous funding was $300 million) this Session, but bond authority is still in tact for future funding.

The seatbelt bill passed, making seatbelt enforcement for adults a primary offense- passage will draw down $35 million in federal funds for road projects

Growth management passed with amendments eliminating transportation concurrency within the major urban areas of the state. Eight counties are affected: Broward, Duval, Hillsborough, Miami-Dade, Orange, Palm Beach, Pinellas, and Seminole Counties. Concurrency exception areas are also created within approximately 190 cities within 24 more counties.

The affordable Housing trust funds were raided once again to plug holes in other areas of the budget and the Sadowski Cap was not repealed after efforts failed to remove the cap.

The commuter rail project known as, SunRail, failed to pass as a bill. A last hour attempt to place the issue as an amendment on another transportation bill fell short on a 16-23 vote. Lawmakers approved a plan that will allow universities to increase tuition by as much as 15 percent a year. The Senate did not approve a proposal which relaxed the 2002 constitutional amendment that requires smaller school class sizes in Florida public schools.

The proposal which would have required public utilities to gradually increase the amount of energy they produce from renewable sources failed to pass this year and so did the proposal backed by Governor Crist, which would have implemented stricter automotive emissions output similar to the California model.

The Senate also rejected a plan to open Florida's coastline to oil drilling. The plan would have allowed the Governor and cabinet to approve offshore oil drilling within 3 miles of the coast. The House passed the measure after introducing the issue in the last two weeks of session but it was never taken up in the Senate.

A property insurance bill passed which would allow rates to be raised 10 percent a year on the state-backed Citizens Property Insurance Corporation.

The legislature passed a resolution to allow voters in 2010 to approve a proposed constitutional amendment that would reduce property taxes. The measure would give an additional tax break to new homeowners, who have not filed for homestead exemption in 8 years. It would also reduce the cap on annual assessment increases for businesses and second-home owners from the current
10% to 5%.

Another deal which passed, includes a final agreement on allowing school boards to approve a 0.25 mill tax increase with a supermajority vote to raise revenues at the local level.

The Seminole Indian Gambling Compact was passed by the legislature during the extended week of session and looks to have Gov. Crist’s support. The major provisions of the compromise would guarantee at least $150 million in revenues annually, allows expanded card games in tribal casinos only in Broward and Hillsborough Counties, reduces the tax rate 50% to 35% on pari mutuel facilities, and allows the phasing in of quarter horse racing.

The legislature rejected a sponsored amendment to take $444 million in federal stimulus money for expanded unemployment benefits that are excluded from the state budget. The legislature believed the expansion of benefits would place a tax increase on Florida’s businesses.
For FY 2009-10, $18.2 billion was appropriated for Medicaid programs, which is a $2 billion, increase over FY 2008-09 and $26.04 billion was appropriated overall for HHS, which is a $2.3 billion increase over FY 2008-09. However, these amounts include nearly $1.9 billion in federal stimulus dollars.

There was a $6 billion budget shortfall entering the 2009 Session. After $5.6 billion in federal stimulus funds was utilized in the FY 2009-10 budget, there was still a $1 billion shortfall because of continued falling revenues during the worst economic recession in decades.

Aside from the legislation passed on the restructuring of the Low Income Pool Council, the FY 2009-10 LIP recommendations from the current council were passed by the legislature. The LIP distributions for Lee Memorial Health System are below:

- Gross LIP for FY 09-10: $36.8 million
- FY 09-10 IGT contributions: $10.5 million
- Net LIP for FY 09-10: $26.3 million
  (Gross LIP – IGTs = Net LIP)
- Revised net LIP for FY 2008-09: $21.8 million

Through a combination of federal stimulus dollars and general revenue, Medically Needy was funded with $528.7 million total; $160.7 million in GR and the Meds AD Program was funded at $367.8 million total; $113 million in GR.

The Public Safety, Mental Health & Substance Abuse Local Matching Grant was funded at last year’s level, $3 million. However, the Senate had reduced the funding to only $2 million going into budget negotiations, but the House held the $3 million allocation in the end.

Hospital Medicaid reimbursement rates were reduced for both Outpatient (1.6% reduction) and Inpatient services (1.5% reduction). Hospitals are given budget authority to use intergovernmental transfers (IGT’s) to the extent available to buy back these rate reductions in whole or in part.

These reductions would have been much higher if not for the infusion of federal stimulus dollars.

As mentioned, SB 1840 was passed adding $1 per pack tax onto cigarette sales making the total state tax $1.34. Tobacco products other than cigarettes and cigars are subject to a surcharge equal to 60 percent of the wholesale sales price. This is in addition to the current tax of 25 percent of the wholesale sales price. The additional tax is expected to generate $988 million annually for
the state.

SB 1664 distributes 5% of the cigarette tax, not to exceed $50 million, for research of cancer or tobacco related illnesses and 2.5% of the revenues be distributed to the Biomedical Research Trust Fund in the Department of Health for the James and Esther King Biomedical Research Program.

The bill requires that 2.5 percent of the revenue deposited into the Health Care Trust Fund, not to exceed $25 million in FY 2009-2010, be transferred to the Biomedical Research Trust Fund in the Department of Health for the William G. —Bill Bankhead, Jr., and David Coley Cancer Research Program.

Below is a breakdown of funding for major HHS programs for FY 2009-10:

Total Funding:
Health and Human Services Appropriations ................. $26.0 billion
  o $5.2 billion General Revenue
  o $20.8 billion Trust Funds

FY 2009-2010
Total – $26.0b ($5.2b GR; $20.8b TF)

Federal Stimulus
Federal Stimulus Medicaid FMAP – $1,851.4m

Other Federal Stimulus – $113.3m

Agency for Health Care Administration

Major Issues Funded
Medicaid Workload/Price Level – $1.3b total; $530.5m GR
Medically Needy – $528.7m total; $160.7m GR
Meds AD Program – $367.8m total; $113m GR
Fraud and Abuse – $2.6m total; $.9m GR; 5 FTE

Reductions
Nursing Home Rates 3 percent – ($81.3m total; $26.3 GR)
Hospice Rates 3 percent – ($7.1m total; $2.3m GR)
Hospital Inpatient Rates 1.5 percent – ($35.5m total; $11.6m GR)

Hospital Outpatient Rates 1.6 percent – ($10.4m total; $3.4m GR)

County Health Department Clinic Rates 3 percent – ($3.0m total $1.0m GR)

$3m trust fund authority provided to allow CHDs to buy back rate reduction.

Nursing Home Diversion Rates 3 percent – ($7.5m total; $2.4m GR)

HMO Rates 0.9 percent – ($19.2m total; $6.2m GR)

ICF/DD – ($17.4m total; $5.6m GR)
9.64 percent reduction of savings associated with implementation of a provider assessment program that is restored with quality assessment revenue.

Nursing Home Diversion 2,200 slots – ($28m total; $9.1m GR)

Fraud and Abuse/Home Health – ($16.3m total; $5.3m GR)

Pharmaceutical Expense Assistance – ($3m GR)

Florida Senior Care Pilot Program – ($9m total; $.4m GR)

Agency for Persons with Disabilities

Major Issues Funded

Waiver Deficit – $19.1m TF; $6.2m state share

Restoration of Waiver – $9.2m; $3m GR; to restore behavior assistance services, behavioral therapy assessment and a geographical rate reduction for residential habilitation services in Broward, Miami-Dade, Palm Beach and Monroe counties

Developmentally Disabled Projects – $.5m

Department of Children and Family Services

Major Issues Funded

Cash Assistance Caseload Projection – $44.6m Federal Stimulus (TANF Emergency Contingency)

Substance Abuse Restoration – $4.6m TANF
Independent Living Restoration – $3.0m GR

Community Based Care Restoration – $7.7m total; $4.2m GR; $1.4m Trust Fund Cash; $2.1m Federal Stimulus TANF

Mental Health Services Continuation – $5.4m Trust Fund (ADAMH Block Grant)

Mental Health and Substance Abuse Services – $6.5m Trust Fund (Medicaid Administrative Claiming)

Maintenance Adoption Subsidies – $27.4m total; $9.75m GR; $12.4m Title IV-E; $2.5m TANF; $2.0m Federal Stimulus TANF; $.8m Federal Stimulus (Title IV-E FMAP Adjustment)

Foster Care and Related Services – $6.3m Federal Stimulus (Title IV-E Waiver)

Homeless Prevention Grants – $12.9m Federal Stimulus

Violence Against Women – $5.5m Federal Stimulus

SNAP (Food Stamps) Administration – $14.6m Federal Stimulus

Violent Sexual Predator – $8.6m GR

Substance Abuse/Mental Health Projects Restoration – $15.2m Total; $9.7m GR; $5.5m Trust Fund Cash

Reductions

Administration – (60.5 FTE; $1.9m total; $1.6m GR )

Homeless Grant and Aid Program – ($1.1m GR)

Department of Elder Affairs

Major Issues Funded

Elder Nutrition – $7.2m Federal Stimulus

Emergency Home Energy Assistance Program – $1.2m

Public Guardianship Program – $.3m

Reductions

Home Care for the Elderly 5 percent – ($.4m GR)
Contracted Services 5 percent – ($0.05m GR)

Community Care for the Elderly 3 percent – ($1.1m GR)

**Department of Health**

**Major Issues Funded**

- Children’s Medical Services IT Project – $2.6m NR
- WIC Data System – $2.7m NR
- Tobacco Education and Prevention – $2.3m TF
- Biomedical Research Grants – $50m TF
- HIV/AIDS Grant – $4.2m TF
- Child Nutrition Program – $30.0m TF
- WIC Program – $97.5m TF
- Early Steps – $3.0m TF
- Early Steps IDEA Part C – $11.5m Federal Stimulus

**Reductions**

- Health Promotion and Education Projects – ($0.5m GR)
- Environmental Health – ($0.5m GR)
- Biomedical Research – ($12.95m total; $11.25m GR)
- Vacant Positions – (256 FTE; $14.8m total; $10.8m GR)
- Pharmaceutical Services – ($1.0m GR)
- Minority Health Initiatives – ($1.0m GR)
Important HealthCare Issues Introduced in 2009

This year’s fight between for-profit mega health care companies and non-profit hospitals came to fruition in the LIP bill, sponsored by Senator Gaetz and Representative Patronis. The Low Income Pool bill, HB 285, proved to be contentious from day one. Although, it did ultimately pass after compromise language was added to restructure the council instead of abolishing it entirely which the original bill did.

CS/HB 285/ SB 556 – Relating to Medicaid Low-Income Pool and Disproportionate Share Program – Passed
Effective Date: July 1, 2009

This compromise bill increases the membership of the Low-Income Pool (LIP) Council from 17 members to 24 members. The LIP Council advises the Agency for Health Care Administration (AHCA) on Medicaid supplemental financing, the seven additional members include:

- Two members appointed by the Speaker of the House of Representatives;
- Two members appointed by the President of the Senate;
- One member representing federally qualified health centers;
- One member representing the Department of Health; and
- One nonvoting member from the AHCA to serve as chair of the LIP Council.

The bill requires that only one of the members appointed by the Speaker of the House of Representatives must be a physician, and that only one of the members appointed by the President of the Senate must be a physician. These appointed physicians must routinely take calls in a trauma center or hospital emergency department.

The bill prohibits individuals who are registered lobbyists under Florida Statutes from serving as members of the LIP Council, with the exception of a full-time employee of a public entity.

Cigarette Tax

There has been a push to increase cigarette taxes over the last several years. The health care industry has supported the increase in part because it may reduce the number of smokers and because a portion of the increase will be allocated to support recurring healthcare programs.

Another group of individuals who have supported the increase are tobacco companies who have entered into the national tobacco settlement agreement. In doing so, they have been paying additional taxes to each state, with more going to states that have joined in the agreement. Florida, however, never joined the compact, even though they continue to receive some money. As a result, two things happened. First, Florida does not receive as much money as some of the other states. Second, any tobacco company who did not enter into the agreement was not required to pay additional taxes. This created an unfair advantage to those companies. Therefore, a push has been made to create a type of parity in tobacco taxation.
Republicans have been generally opposed to increasing taxes. In fact, each year, tax exemptions are created to help out the various interest groups. Tackling tax exemptions without raising taxes in a grossly unfunded year such as these last two budget years has made it difficult for Republicans to adhere to these principles. Instead, a new term, ‘User Fees,’ has been created to replace taxes.

This year, a half dozen bills were filed by Republicans and Democrats alike to increase the cigarette “user fees”. In a series of budget committee meetings, floor debate and finally budget conferences, one bill passed the Legislature.

**CS/CS/SB 1840 — Protecting Health/Surcharge on Tobacco Products - Passed**

*Effective Date: July 1, 2009*

The bill levies a $1 per pack surcharge on cigarettes. Revenue from the surcharge will be deposited in the Health Care Trust Fund in the Agency for Health Care Administration. On a recurring basis, the surcharge on cigarettes is expected to raise $942 million each year. It is also expected to reduce cigarette consumption by 9 percent, and the reduction is expected to grow over time to more than 10 percent by FY 2012-2013.

Tobacco products other than cigarettes and cigars are subject to a surcharge equal to 60 percent of the wholesale sales price. (This is the price that the distributor pays the manufacturer.) This is in addition to the current tax of 25 percent of the wholesale sales price. The surcharge on other tobacco products is expected to raise $48 million each year.

The surcharge is levied on cigarettes and other tobacco products in inventory in the state on July 1, 2009. To compensate for costs of taking this inventory, retailers, distributors, wholesalers, and manufacturers will get a 5 percent collection allowance for the surcharge on inventory.

The bill provides for regulation of internet and mail-order sales of cigarettes and other tobacco products to ensure that these products are not available to minors. It increases the penalties related to untaxed cigarettes, and creates a toll-free number for cigarette tax and surcharge violations to be reported. An informer may receive a reward for a report that leads to a fine being levied and paid.

The bill also restricts the amount of tax-free cigarettes available to the recognized Indian tribes. Members of the tribes will be able to buy and consume cigarettes tax free on the reservations, but will not be able to sell untaxed cigarettes to non-Indians. It provides for the option of entering into an agreement with the state to share cigarette tax revenue for cigarettes sold on reservations, but the state must, at a minimum, receive all revenue from the surcharge created in this bill.

Another bill which passed this year, **SB 1664**, directs 5% of the newly created cigarette tax, not to exceed $50 million, is to be distributed for research of cancer or tobacco related illnesses and
2.5% of the revenues be distributed to the Biomedical Research Trust Fund in the Department of Health for the James and Esther King Biomedical Research Program.

The bill requires that 2.5% of the revenue deposited into the Health Care Trust Fund, not to exceed $25 million in FY 2009-2010, be transferred to the Biomedical Research Trust Fund in the Department of Health for the William G. —Bill Bankhead, Jr., and David Coley Cancer Research Program.

**Trauma Funding Issues**

**CS/CS/HB 481/SB 1114 – Relating to Highway Safety – Passed**

*Effective Date: October 1, 2008*

This bill filed by Representative Kreegel and Senator Richter revises fines assessed in certain traffic infractions. We worked closely with sponsors especially in the last two weeks of session to fend off unfriendly amendments in the Senate to ensure its ultimate passage.

Currently, $65 of the assessed fines are deposited into the Department of Health’s Administrative Trust Fund for distribution to certified trauma centers. This bill will assess an additional $65 civil penalty for failure to stop for a school bus, reckless driving and for racing on highways and require first time offenders to attend a driver improvement course. The additional $65 fine will also be deposited into the Administrative Trust Fund and specifies how this money shall be distributed to trauma centers, which is outlined below:

- 30% to Level II trauma centers operated by a public hospital governed by an elected board of directors;
- 35% to verified trauma centers based on trauma caseload volume for the most recent calendar year (made available); and
- 35% to verified trauma centers based on severity of trauma patients for the most recent calendar year (made available)

In addition, HB 481 requires a person who is convicted of a violation of failure to stop at a traffic signal when so required, failure to stop for a school bus, reckless driving, and racing on the highways to attend a driver improvement course.

It also provides language to clarify a court, after considering residency and employment obligations, may order a defendant to pay a fine of $10 for each hour of public service or community work required, only if the court determines that either would create an undue hardship for the defendant in completing the required service.

Based on estimates from the Department of Highway Safety and Motor Vehicles, the annual revenue generated from the increased fines is expected to between $150,000 and $450,000.
CS/SB 718 – Relating to Discretionary Sales Surtaxes - Passed
Effective Date: July 1, 2009

The bill amends the discretionary sales surtax provision for the ‘Indigent Care and Trauma Center Surtax’ to delete the exclusion of a county that has a population of at least 800,000 residents and is consolidated with one or more municipalities (Duval County) from levying this surtax. The bill will have the effect of authorizing Duval County to levy the Indigent Care and Trauma Center Surtax at the rate of 0.5 percent to fund health care services for indigent and medically poor persons, as well as Level 1 trauma center services. This tax may be imposed by either an extraordinary vote of the county’s governing body or by voter approval in a countywide referendum.

CS/CS/CS/HB 439/SB 2004 - Relating to Uniform Traffic Control - Failed

HB 439, the Mark Wandall Act, has been introduced several years and has not passed the full legislature to date. This bill would have statutorily authorized local governments to enact ordinances permitting the use of traffic infraction detectors. Among other things, the bill detailed the required content of the ordinance; and directed specificities as to the installation procedures, reporting processes, repayment formulas on the traffic control device and a complaint process.

The penalty for failing to stop at a steady red light, as determined through the use of a traffic infraction detector, is a fine of $150. The fines would have been distributed as follows: $70 to local governments; $55 to General Revenue; $25 to the Department of Health Administrative Trust fund, which would then have been allocated for trauma centers. Additionally, local governments that have acquired traffic infraction detectors prior to the effective date of this act are required to remit $30 for each citation or ticket for which payment is collected between the effective date of this act and September 30, 2010.

There were a series of debates as to how the money would be distributed. Some local governments argued that their ordinances allowed for these devices and could therefore collect the entire fine. The bill failed to pass again this session amidst disagreement between the House and Senate on the distribution formula of the fines to local governments, trauma, centers, and state general revenue.

In the end, the House rejected the Senate final offer, thus killing the bill in House returning messages.

See related bill SB 2688, which had no companion and was not heard in any committee.
Medicaid and KidCare

SB 1448/ HB 839 – Relating to Medicaid Managed Care Plans - Failed
Effective Date: July 1, 2009

This bill would have required health insurers, prepaid limited health service organizations, and health maintenance organizations that provide comprehensive behavioral health care services in the Medicaid program to continue to offer medically necessary services authorized by the entity previously covering a Medicaid recipient while prior authorization is being processed under a new plan. These entities would have to pay “clean claims” or those that have been presented with no defects or improprieties, within 10 business days after receipt of the claim and to develop and maintain informal grievance systems that address provider payment and contract problems.

Both bills died in the committee process.

HB 807/ SB 338 – Relating to Florida KidCare Program - Passed
Effective Date: Upon becoming a law

This bill directs the Office of Program Policy Analysis and Government Accountability (OPPAGA) to perform a study of the effectiveness of the outreach efforts of the Florida KidCare program for uninsured children by examining current practices of the Social Services Estimating Conference, Department of Health, Children’s Medical Services, Agency for Health Care Administration, Department of Children and Families, Department of Education and Healthy Kids Corporation related to:

- Determining expenditures,
- Coordinating with other health related programs to avoid duplication,
- Providing services to children in Florida KidCare,
- Making information available to parents of eligible children,
- Offering services to the target population,
- Providing medical assistance, and
- Determining eligibility and increasing enrollment in Florida KidCare program.

OPPAGA is required to consult with the Department of Health, the Department of Children and Families and other interested entities relevant to the research required for the report. OPPAGA must submit a report to the Speaker of the House or Representatives and the President of the Senate by January 1, 2010.

CS/CS/SB 918 – Relating to Florida KidCare Program - Passed
Effective Date: July 1, 2009

SB 918 makes several changes to the Florida KidCare program. The bill streamlines the KidCare application process by requiring the family income of applicants to be verified electronically.

The bill removes administrative barriers to the KidCare program by:
• Decreasing the period of time that a child is disenrolled from the KidCare program for nonpayment of premiums from 60 to 30 days;

• Reducing the waiting period from 6 months to 60 days for KidCare eligibility for families that have voluntarily cancelled their employer-sponsored or private health insurance coverage; and

• Increasing the number of —good cause— reasons that families can use to voluntarily cancel their health insurance coverage and be immediately eligible for KidCare coverage without a waiting period.

The bill also adds a representative of the Department of Children and Family Services to the board of directors of the Florida Healthy Kids Corporation.

See also HB 1329, which was similar to SB 918, though was never heard in committee.

CS/CS/CS/CS/SB 462 — Prescription Drugs - Passed
Effective Date: July 1, 2009

The bill requires the Department of Health (DOH), by December 1, 2010, to design and establish a comprehensive electronic system to monitor the prescribing and dispensing of certain controlled substances. The bill requires prescribers and dispensers of certain controlled substances to report specified information to the DOH for inclusion in the system. When the direct support organization authorized in the bill receives at least $20,000 in non-state moneys or the state receives at least $20,000 in federal grants for the prescription drug monitoring program, the DOH must adopt rules to implement the system. The rules must be adopted by the DOH in consultation with the Office of Drug Control and must address the reporting, accessing the database, evaluation, management, development, implementation, operation, security, and storage of information in the system.

Data regarding the dispensing of each controlled substance must be submitted to the DOH no more than 15 days after the date the drug was dispensed, by a procedure and in a format established by the DOH, and must include minimum information specified in the bill. Any person who knowingly fails to report the dispensing of a controlled substance commits a first degree misdemeanor. The bill provides exemptions from the data reporting requirements for controlled substances when specified acts of dispensing or administering occur for that specific act of dispensing or administration.

The Office of Drug Control, in coordination with the DOH, is authorized to establish a direct-support organization to provide assistance, funding, and promotional support for activities authorized for the prescription drug monitoring program. The bill creates a 12-member Program Implementation and Oversight Task Force within the Executive Office of the Governor to monitor the implementation and safeguarding of the electronic system established for the prescription drug monitoring program.
The bill provides immunity from liability for prescribers and dispensers who in good faith receive and use information from the prescription drug monitoring program. A person may not recover damages against a prescriber or dispenser authorized to access information under the drug monitoring program for accessing or failing to access such information.

The bill requires each physician who practices in a privately owned pain-management facility that primarily engages in the treatment of pain by prescribing narcotic medications to register the facility with the DOH, unless it is a Florida-licensed hospital, ambulatory surgical center, or mobile surgical facility. The bill creates an exemption to the registration requirements for pain management clinics, to be enforced by the Board of Medicine or the Board of Osteopathic Medicine, as applicable, for a privately owned clinic, facility, or office that advertises in any medium for any type of pain management services or employs one or more physicians who are primarily engaged in the treatment of pain by prescribing or dispensing controlled substances if the majority of the physicians who provide services in the clinic, facility, or office primarily provide surgical services.

SB 1876/HB 943 Relating to Medicaid - Failed

The bill would have required an entity that contracts with the Agency for Health Care Administration for Medicaid services to reimburse certain non-contracted hospitals or physicians for services provided to its members. It required that a county's contribution to Medicaid for hospital services be based on the Medicaid rate calculated by the AHCA. Lastly it provided that the sole purpose of the Medicaid county rate is to determine the counties' contribution.

The bills failed in committee.

Health Care Regulation

CS/CS/CS/SB 1986 — Health Care (Medicaid Fraud-related sections) - Passed
Effective date: July 1, 2009

The bill addresses systemic health care fraud. The bill increases the Medicaid program’s authority to address fraud, particularly as it relates to home health services by:

- Requiring that home health services for Medicaid recipients be medically-necessary and ordered by a physician via a written prescription that meets the specified requirements in law.

- Requiring all Medicaid recipients to receive information once a year on how to report criminal Medicaid fraud, the Medicaid Fraud Control Unit’s toll-free hotline number, and the reward program created in the bill.

- Requiring the Agency for Health Care Administration (AHCA) to post a list of all Medicaid providers that have been sanctioned or terminated for cause from the Medicaid program on its website.
• Requiring the AHCA to use technology to address health care fraud.

• Requiring the AHCA to track Medicaid provider prescription and billing patterns and evaluate them against Medicaid medical-necessity criteria and coverage limitation guidelines adopted by rule and include this information in the Medicaid Program Integrity and Medicaid Fraud Control Unit’s joint annual report.

• Requiring the Medicaid Program Integrity Unit to take action against a provider that violates s. 409.913, F.S. Previously this authority was permissive.

• Authorizing the AHCA to enroll a Medicaid provider located outside of Florida if the provider’s location is no more than 50 miles from the Florida state line or the AHCA determines a need for that provider type.

• Requiring all health care facilities licensed by the AHCA to provide their clients an AHCA-written description of Medicaid fraud and the statewide toll-free telephone number for the central Medicaid fraud hotline.

The bill designates Miami-Dade County as a health care fraud crisis area and directs the AHCA to implement two pilot projects in Miami-Dade County to prevent the overutilization of home health services and control, verify, and monitor the delivery of home health services in the Medicaid program.

The bill increases health care facility and health care practitioner licensing standards to keep fraudulent actors from obtaining a health care license in Florida by:

• Requiring the AHCA to deny a license to any health care facility applicant, and the Department of Health (DOH) to deny a license, certificate, or registration to any health care practitioner applicant, if the applicant or any controlling interest has been:

  o Convicted of, or enters a plea of guilty or no contest to, a felony under ch. 409, 817, or 893, F.S., 21 U.S.C. ss. 801-970, or 42 U.S.C. ss. 1395-1396, unless the sentence or any subsequent period of probation ended more than 15 years ago;

  o Terminated for cause from the Florida Medicaid Program, unless the applicant has been in good standing with the Florida Medicaid Program for the most recent five years; or

  o Terminated for cause from the federal Medicare program or another state Medicaid program, unless the applicant has been in good standing with a state Medicaid program for the most recent five years and the termination occurred at least 20 years prior to the date of the application.

• Requiring pharmacy permit applicants to be fingerprinted and pass a state and national criminal history records check.
• Authorizing the AHCA to deny, revoke, or suspend the license of a home health agency, and requiring the AHCA to impose a fine of $5,000 against a home health agency, that demonstrates a pattern of billing the Medicaid program for medically-unnecessary services.

• Increasing the requirements for applicants for licensure as home health agencies, home medical equipment providers, and health care clinics to include additional financial documentation and a $500,000 surety bond for non-immigrant aliens.

• Prohibiting the AHCA from renewing a home health agency license, if the applicant is located in a county that has at least one home health agency and the county has more than one home health agency per 5,000 persons, based on the most recent population estimates published by the Legislature’s Office of Economic and Demographic Research, and the applicant or any controlling interest has been administratively sanctioned by the AHCA in the last 2 years for a specified list of violations.

• Creating a moratorium on new and change of ownership home health agency licenses in counties that meet certain criteria until July 1, 2010.

In addition, the bill creates incentives for persons to report incidents of Medicaid fraud by: offering monetary rewards for persons who report Medicaid fraud to the authorities; removing a disincentive to pursue an action under the Florida False Claims Act; and providing civil immunity for persons who report suspected Medicaid fraud.

The bill creates disincentives to commit Medicaid fraud directly by creating additional criminal felonies for committing health care fraud by:

• Creating a first and second degree felony for persons who commit Medicaid provider fraud. The new penalties increase in severity based on the amount of money stolen from the Medicaid program or the amount of money the provider attempted to steal.

• Requiring Medicaid providers convicted of Medicaid fraud to also pay the state a fine equal to five times the amount of money stolen from the state or the total amount of money stolen from the Medicaid program, whichever is greater.

• Creating a third degree felony for persons who apply for a home health agency, durable medical equipment, or clinic license and knowingly file information on the licensure application that is misleading or false.

The bill decreases the financial surplus requirements for entities that contract with the AHCA on a prepaid basis, including Medicaid HMOs, provider services networks, and prepaid mental health plans. The surplus requirements will be the same as for commercial HMOs.

The bill also directs the AHCA to develop a plan to implement a medical home pilot project that utilizes primary care case management enhanced by medical home networks to provide coordinated and cost-effective care that is reimbursed on a fee-for-service basis, and to compare the performance of medical home networks with other existing Medicaid managed care models.
CS/CS/HB 873 — Inactive Licenses and Certificates of Need for Health Care Providers - Passed
Effective Date: Upon becoming law.

The bill extends the period in which a certificate of need is valid from 18 months to 3 years if an applicant has not commenced construction, if the project provides for construction, or incurred an enforceable capital expenditure commitment for a project, if the project does not provide for construction. CS/CS/CS/SB 1986, which passed after this bill, modifies this extension to apply only to a certificate of need that was issued prior to April 1, 2009.

The bill also authorizes a second renewal of an inactive license for a statutory rural hospital if the licensee has plans approved by the agency and construction has commenced, if construction or renovation is required; or the licensee has made an enforceable capital expenditure greater than 25 percent of the total costs associated with the hiring of staff and the purchase of equipment and supplies needed to operate the facility upon opening, if construction or renovation is not required. The maximum period for an inactive license of a statutory rural hospital is extended from 24 months to 36 months.

CS/620/HB 573 – Relating to Health Facilities - Passed
Effective Date: upon becoming a law

This bill expands the definition of a “health facility” to allow not-for-profit corporations providing other types of health-related services to be eligible to access financing through debt (bonds) issued by a health facility authority and receive other assistance from a health facility authority including hospital services, nursing home care services, life care services and services for the developmentally disabled and the mentally ill. This bill could also facilitate the private sector development of senior health-related services and housing options to address the increased projected demand for such services in Florida.

CS/CS/SB 162 — Electronic Health Records - Passed
Effective Date: Upon becoming law.

This bill creates the “Florida Electronic Health Records Exchange Act” and provides for the emergency release of an identifiable health record without the patient’s consent for use in the treatment of the patient for an emergency medical condition when the health care provider is unable to obtain the patient’s consent or the consent of the patient’s representative. A health care provider is immune from civil liability when the provider, in good faith, releases or accesses an identifiable health record of a patient in accordance with this emergency authorization.

Licensed hospitals, ambulatory surgical centers, and mobile surgical facilities are authorized to release patient records without the consent of the patient or his or her legal representative to health care practitioners and providers currently involved in the care or treatment of the patient for use only in connection with the treatment of the patient. In addition, clinical laboratories are authorized to disclose a patient’s test results, without the patient’s consent, to a health care
practitioner or provider who did not request that the test be performed but who is involved in the care or treatment of the patient.

The bill authorizes the Agency to establish a certified electronic health record technology adoption loan program from any donations from public or private entities and federal funding from the American Recovery and Reinvestment Act of 2009, subject to a specific appropriation.

CS/CS/SB 2658 — Fraud and Abuse in State-funded Programs - Passed
Effective Date: July 1, 2009

The bill increases the requirements for applicants for licensure as home health agencies, home medical equipment providers, and health care clinics to include: additional financial documentation and a $500,000 surety bond for non-immigrant aliens. The bill creates a moratorium on new and change of ownership home health agency licenses in counties that meet certain criteria until July 1, 2010. The bill also creates new third-degree felony offenses for certain violations relating to home health agencies, home medical equipment providers, and health care clinics.

The bill amends the Florida False Claims Act to make it more difficult to award attorney’s fees on a False Claims Act defendant by specifying that if the defendant is the prevailing party in a false Claims Act case, the court may award attorney’s fees if the court finds that the action was clearly frivolous, clearly vexatious, or brought primarily for the purposes of harassment. The bill specifies that the amendment to the Florida False Claims Act applies to any pending or future action on or after July 1, 2009.

The bill also designates Miami-Dade County as a health care fraud crisis area.

CS/CS/CS/HB 651 – Relating to Health Care – Failed

HB 651 would have amended several sections of law relating to the regulation, reporting, accessibility and service delivery of health care to individuals in Florida under the jurisdiction of the Agency for Health Care Administration (AHCA) including eliminating private utilization review agents, regulation of certain clinical laboratories; duplicative census reporting and quarterly monitoring visits of nursing homes, certain workgroups and annual reports; agency requirements related to assisted living facility residency and consultation, and certain activities related to unlicensed activity. The bill also provided for electronic access to information; revised provisional license criteria; authorized uniform rules for emergency preparedness and inspections; revised disqualifying criminal offenses for persons who work in health care; added certain background screening forms; and made numerous conforming changes.

There was no one specific senate companion. The House version passed, but died in messages.
Nursing Programs

CS/HB 1139 — Florida Center for Nursing - Passed
Effective Date: July 1, 2009

The bill requires the Board of Nursing to provide specified information regarding the Florida Center for Nursing to nurses at the time of licensure renewal. The Board of Nursing must provide the nurse with a summary of the center’s work, a link to the center’s Internet website, and the following statement: “The Florida Center for Nursing’s operating revenues are derived in part from your donation. In order for the Florida Center for Nursing to continue its work on behalf of nurses, please donate.”

CS/CS/HB 1209 — Nursing Programs - Passed
Effective Date: July 1, 2009

The bill streamlines the application process for new programs for the pre-licensure education of professional or practical nurses. The bill repeals the Board of Nursing’s (BON’s) authority to adopt rules for the approval of nursing programs and instead codifies the program standards in law. The BON must approve or deny a program within 90 days if the application documents compliance with: program standards set by the bill for faculty qualifications; clinical training and clinical simulation requirements; faculty-to-student supervision ratios; and curriculum and instruction requirements.

The BON’s rulemaking authority is limited to rules that prescribe the format for nursing programs to submit program applications and summary descriptions of program compliance. The BON is prohibited from imposing any condition or requirement on a nursing program submitting an application, an approved program, or a program on probationary status except as authorized under the bill. The BON is directed to repeal all rules in existence on July 1, 2009, that are inconsistent with the bill.

The bill requires the Florida Center for Nursing and the Office of Program Policy Analysis and Government Accountability to monitor the administration of these new requirements and report their findings and recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives annually through January 30, 2015.

CS/CS/HB 1209/SB 2284 – Relating to Nursing Programs - Passed
Effective Date: July 1, 2009

This bill revises the approval process for practical and professional nursing programs and to repeal existing law that vests the Florida Board of Nursing (BON) with the authority to prescribe this process by rule. Under the bill, each institution wishing to conduct a new nursing education program must submit a program application and fee to the Department of Health and submit annual reports, unless under probation, to which other conditions apply.

The BON is required to approve a new program application within 90 days if the application documents compliance with program standards set by the bill for: (a) faculty qualifications; (b)
clinical training and clinical simulation requirements; (c) faculty-to-student supervision ratios; and (d) curriculum and instruction requirements.

The bill should have a positive fiscal impact and increase the pool of qualified nurses available to work in Florida and, in turn, public and private healthcare employers may incur a cost savings when hiring nurses due to their greater availability locally.

Nursing Homes

CS/SB 1562/HB 1387 – Relating to Inspection of Nursing Homes – Failed

The bill amended numerous provisions related to the regulation of long-term care facilities, primarily nursing homes. The bill avoided duplicity in inspections by AHCA, DOH, and State Fire Marshall. It also clarified that any person may file a complaint against a long-term facility, including an employee of the facility and eliminated the classification scheme for nursing home deficiencies. Deficiency factors were enhanced and it added new admission review components for the CARES program.

The Senate bill passed one committee, but failed to be heard in the House.

SB 1330/HB 753 – Relating to Silver Alert Grant Program - Passed
Effective Date: Not Specified

This is a Senate Memorial that urges the Congress of the United States to authorize the Silver Alert Grant Program to assist in establishing and improving state-administered notification systems that assist in locating missing senior citizens and other individuals suffering from dementia-related disorders; and that copies of the memorial be sent to the President of the United States, President of the United States Senate, Speaker of the United States House of Representatives, and each member of Florida’s Congressional delegation.

Hospital Mandates

SB 1256 Acute Care Hospital Staffing - Failed

This bill established mandatory staffing information disclosures for acute care hospitals. Specifically, it required acute care hospitals to disclose to persons, within 48 hours after a request, the following information:

- A report of the daily staffing level of the direct care nursing staff, registered nurses, licensed practical nurses, and certified nursing assistants in each patient care unit for each shift and each day of the month preceding the request;

- The daily census by patient care unit for each shift and each day of the month preceding the request; and
The projected schedule and anticipated average daily census by patient care unit of the hospital for a minimum period of 30 days following the date of the request.

The bill was heard in one committee in the Senate and withdrawn from further consideration.

**CS/SB 1604/ HB 463/ SB 1598 – Relating to Nursing Services - Failed**

This bill would have required each hospital to establish a nurse staffing collaborative council that is responsible for developing and overseeing an annual staffing plan by nursing shifts within each patient care unit and to consider factors in both the development of the plan and for the semiannual review of the staffing plan to be reviewed annually with nursing personnel in each patient care area.

Each bill died in the committee process.

**HB 231/ SB 626 – Relating to Patient Lifting and Handling Practices – Failed**

This bill would have required hospitals to adopt and implement evidence-based policies for hospital employees that minimize the risk of injury to patients and employees associated with lifting and handling patients. Similar to last year’s bill, it would have also required that the policy be developed by either a newly created or existing committee of management and non-management hospital employees, including registered nurses engaged in direct patient care and to use data to evaluate the risk of injury and to determine the appropriateness of alternative lifting and handling strategies based on the population of patients served at the hospital and identified hospital-specific risk factors.

Both bills died in committee.

**HB 1029/ SB 1878 – Relating to Workplace Safety - Failed**

This bill requires public employers to adhere to the federal Occupation Safety and Health Administration’s standards by June 30, 2012. The Division of Workers’ Compensation also must create and advertise a toll-free phone number so public employees can report unsafe workplace conditions and obtain information. Public employers are required to submit injury and illness data.

Both bills died in the committee process.

**Healthcare Conforming and Implementing Bills**

**CS/SB 1658 — Health Care – Passed**

*Effective Date: Upon becoming law.*

The bill provides statutory changes to conform to the FY 2009-2010 General Appropriations Act.
Specifically, the bill:

- Amends s. 395.7017, F.S., to authorize the Agency for Health Care Administration (AHCA) to promulgate rules relating to assessments on inpatient and outpatient services and health care entities as authorized in ch. 395, part IV, F.S.

- Amends s. 409.815, F.S., to provide for mental health parity, dental services, and the reimbursement of federally qualified health centers and rural health clinics in the Florida Healthy Kids program as required by federal law, effective October 1, 2009.

- Amends s. 409.818, F.S., to require the AHCA to monitor the compliance with quality assurance and access standards of the Florida Healthy Kids plan in accordance with state and federal law.

- Amends s. 409.904, F.S., to provide that the Meds-AD and Medically Needy program will expire December 31, 2010.

- Amends s. 409.905, F.S., relating to home health services in the Medicaid program, to require home health agencies that exceed the statewide home health services utilization rate by 50 percent, to undergo prior authorization for Medicaid home health service visits not associated with a skilled nursing visit. The bill specifies that prior authorization includes the submission of a Medicaid recipient’s plan of care and documentation that supports the recipient’s diagnosis to the AHCA. The bill requires that Medicaid home health services must be ordered by a physician and meet certain requirements.

- Creates undesignated sections of law that require the AHCA to implement two home pilot projects.

- Amends s. 409.906, F.S., to provide limitations on vision services for adult Medicaid beneficiaries.

- Amends s. 409.9082, F.S., to modify circumstances requiring the discontinuance of the quality assessment for nursing home providers; to provide an additional provision to exempt or apply a lower quality assessment rate; and to authorize the use of quality assessments to restore Fiscal Year 2009-2010 rate reductions.

- Amends s. 409.9083, F.S., to provide definitions; to provide for a quality assessment to be imposed upon privately operated intermediate care facilities for the developmentally disabled; to require the AHCA to calculate the quality assessment rate annually, to provide requirements for reporting and collecting the assessment; to specify the purposes of the assessment and an order of priority; to require the agency to seek federal authorization to implement the act; to specify circumstances requiring the discontinuance of the quality assessment; to authorize the imposition of certain penalties against providers that fail to pay the assessment; to require the adoption of rules; and to authorize the use of quality assessments to restore Fiscal Year 2008-2009 and 2009-2010 rate reductions.
• Amends s. 409.911, F.S., to update the years of audited data used in determining Medicaid and charity care days for each hospital in the Disproportionate Share program from 2002, 2003, and 2004 to 2003, 2004, and 2005; to change the fiscal year that the audited data is used to distribute funding through the Disproportionate Share program from Fiscal Year 2008-2009 to Fiscal Year 2009-2010; and to provide the formula for the distribution of disproportionate share dollars to provider service network hospitals.

• Amends s. 409.9112, F.S., to continue the prohibition of the distribution of funds through the Regional Perinatal Intensive Care Disproportionate Share program in Fiscal Year 2009-2010.

• Amends s. 409.9113, F.S., to allow for disproportionate share payments to statutorily defined teaching hospitals and family practice teaching hospitals in Fiscal Year 2009-2010; and allows the distribution of funds for statutorily defined teaching hospitals to be distributed as provided in the General Appropriations Act.

• Amends s. 409.9117, F.S., to continue the prohibition of the distribution of funds through the Primary Care Disproportionate Share program in Fiscal Year 2009-2010.

• Amends s. 409.9119, F.S., to allow for disproportionate share payments to specialty hospitals for children as provided in the General Appropriations Act.

• Amends s. 409.912, F.S., relating to an integrated fixed-payment delivery program (Florida Senior Care) to provide that implementation of the program is subject to a specific appropriation.

• Amends s. 409.91211, F.S., to revise the date from 3 to 5 years that provider service networks, including the Children’s Medical Services Network, convert from a fee-for-service model to a capitation model in the Medicaid reform pilot areas.

• Amends s. 409.9122, F.S., to remove language that required recipients in the MediPass program in counties with two or more managed care plans, to be assigned to a managed care plan if they failed to make a choice during the annual choice period.

• Creates s. 409.916(4) to provide that quality assessment fees received from Medicaid providers are to be deposited into the Grants and Donations Trust Fund within the AHCA and are to be used for the purposes established by law and the General Appropriations Act.

• Amends s. 430.04, F.S., to require the Department of Elder Affairs to administer the Medicaid waiver programs relating to elders and their appropriations.
• Amends s. 430.707, F.S., to require the AHCA, in consultation with the Department of Elder Affairs, to accept and forward to the Centers for Medicare and Medicaid Services a Program of All-inclusive Care for the Elderly (PACE) application for expansion of a pilot project from an entity that provides certain PACE benefits. In addition, the bill directs the AHCA to seek federal approval for an application to be a PACE site and upon approval, to contract with a hospice organization in Hillsborough County to serve up to 100 elderly individuals.

CS/SB 1662 — Department of Health - Passed
Effective Date: July 1, 2009

The bill requires the Department of Health to expend funds from the County Health Department Trust Fund in accordance with budget and plans agreed upon by the county authorities of each county and the Department of Health. The bill removes the requirement to increase the emergency reserve of the County Health Department Trust Fund by the increase in the Consumer Price Index.

The bill repeals the provision related to the exemption for appropriation of positions in the Department of Health funded by the County Health Department Trust Fund and the United States Trust Fund.

The bill requires the department to establish and maintain laboratories for microbiological and chemical analysis, to establish and maintain a pharmacy services program, and to establish an Office of Vital Statistics.

HB 7077 — Lawton Chiles Endowment and Grants and Donations Trust Fund/AHCA - Passed
Effective Date: July 1, 2009

The bill revises multiple sections of law that relate to various trust funds within the Agency for Health Care Administration (AHCA) and the Department of Children and Family (DCF) Services by:

• Requiring that nursing home facility quality assessments will be deposited into the Grants and Donations Trust Fund administered by the AHCA;

• Modifying the date for the reversion of encumbered balances remaining in the Tobacco Settlement Trust Fund from December 31, to September 30;

• Requiring that funds received from state, counties, local governments, public entities and taxing districts will be deposited into the Grants and Donations Trust Fund administered by the AHCA; and

•Specifying that assessments for assistance grants for alcohol and other drug abuse programs will be deposited into the Grants and Donations Trust Fund administered by the DCF, to reflect current practice.
The bill also removes obsolete references to the Department of Children and Family Services Community Alcohol and Other Drug Abuse Services Grants and Donations Trust Fund.

### Miscellaneous Issues

**CS/SB 2620/HB 1265 – Relating to Medical Quality Assurance - Failed**

This bill would have required that disciplinary actions taken against health care practitioners by hospitals, ambulatory surgical centers, and mobile surgical facilities to be reported to the Division of Medical Quality Assurance of the Department of Health (DOH), rather than the Division of Health Quality Assurance of the Agency for Health Care Administration (AHCA). This change would authorize disclosure of certain patient records in order for AHCA to forward their incident reports to DOH.

The bill had one hearing in the Senate, but never placed on a House council or committee agenda.

**CS/HB 995/SB 1922 – Relating to Sovereign Immunity – Failed**

This bill would have authorized a subdivision of the state to settle and pay claims from insurance proceeds or other available funds without requiring a further act of the Legislature. In effect, the bill would have allowed local governments to pay claims above the $100,000/$200,000 statutory limit regardless of insurance coverage, insurance policy limits, or the lack of a commercial insurance policy. It also specified that the fact that a subdivision agreed to settle or pay a judgment exceeding the statutory limits will not become a waiver of any defense of sovereign immunity or an increase in the limits of its liability.
BOARD LIAISON REPORT

Cathy Stephens
Board Liaison/Assistant to the Board
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<td>LMHS Board of Directors “Doc Coggins” Award Campaign &amp; Nomination Kick-Off May 1 - June 30</td>
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<td>LMHS Health Fair 9am-3pm CCH New Café</td>
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<td>13th Anniversary Acquisition of Cape Coral Hospital (1996)</td>
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<td>5:00-7:00pm Board GOVERNANCE Dinner Meeting (Cypress Cove)</td>
<td>LMHS Health Fair 9am-3pm HPMC Room 1A-1B</td>
<td>1:00pm - Quality &amp; Education Committee of the Whole &amp; 2:00pm - Planning Committee of the Whole (LMH Boardroom)</td>
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<td>++++++++++++++++++++++++++++++++++++++ 1:00pm - Finance Committee of the Whole (LMH Boardroom)</td>
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<td>Happy Fathers Day</td>
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<td>BOARD Meetings:</td>
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<td>@ CCH - Auxiliary Meeting Room 12:00 Medical Staff Luncheon 1:00pm Full Board Meeting</td>
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<td>Deadline for ‘Doc Coggins’ Nominations</td>
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Key: LMH – Lee Memorial Hospital  HPMC – HealthPark Medical Center  CCH – Cape Coral Hospital  GCMC – Gulf Coast Medical Center


LMHS FOUNDATION EVENTS: For additional information please contact the Foundation Office at 239-985-3550.

Questions about this schedule: Contact the LMHS Board of Directors office at (239) 334-5943
ADJOURN

LEE MEMORIAL HEALTH SYSTEM
BOARD OF DIRECTORS MEETING

DATE OF THE NEXT
REGULARLY SCHEDULED
FULL BOARD OF DIRECTORS MEETING:

THURSDAY,
June 25, 2009
1:00pm

CAPE CORAL HOSPITAL
AUXILIARY ROOM