Lee Memorial Health System

Planning Board & Full Board of Directors’ Meetings
Thursday, January 17, 2013
1:00 p.m.
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 Administrator prior to meeting.

**PLANNING BOARD & FULL BOARD OF DIRECTORS’ MEETINGS**  
Thursday, January 17, 2013, 1:00 pm  
Gulf Coast Medical Center (Medical Office Building), 13685 Doctors Way, BOARDROOM, Ft. Myers, FL 33912

**AGENDA**

1. **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.

2. Invocation and Pledge of Allegiance  
   (Rev. Denise Sawyer, MDiv)

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 Administrator prior to meeting.

4. 2013 Board Liaison Appointments  
   (Richard Akin, Board Chairman)  
   (Approve)

5. Golisano Children’s Hospital Commissioning Authority Contract  
   (Approve)  
   (Dave Kistel, VP Facility Management/Support Services)

**PLANNING BOARD SECTION**: (Planning Board Liaison)

6. Orthopedic Co-Management  
   (Update)  
   (John Mehalik, M.D. & Alex Greenwood, Orthopedic Co-Management Director)

7. System Strategic Initiatives FY 2013 Scorecard  
   (As of January 9, 2012)  
   (Accept)  
   (Kevin Newingham, VP Strategic Services)

8. System Strategic Plan  
   (Kevin Newingham, VP Strategic Services)  
   (Review)

9. Discharge Calls  
   (Verbal Update)  
   (Donna Giannuzzi, RN, MBA, NEA-BC, Chief Patient Care Officer)

10. **Date of the next PLANNING BOARD OF DIRECTORS’ MEETING**  
    Thursday, March 7, 2013 – 1:00 p.m. - Gulf Coast Medical Center Boardroom,  
    13685 Doctors Way, Fort Myers, FL 33912

**Full Board Section (continued)** – (Richard Akin, Board Chairman)

11. Old/New Business  
    A. LPG Building Purchase  
    (Approve)  
    (Mike German, Chief Financial Officer)

12. Board of Directors’ Reports

13. **Date of the next Regular LEE MEMORIAL HEALTH SYSTEM BOARD MEETING**  
    Thursday, January 24, 2013- 1:00 p.m.  
    **FINANCE & FULL BOARD**  
    Gulf Coast Medical Center – Medical Office Building, Boardroom  
    13685 Doctors Way, Fort Myers, FL 33912

14. **ADJOURN**
LEE MEMORIAL HEALTH SYSTEM

Invocation Prayer

&

Pledge of Allegiance
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 Administrator 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.
<table>
<thead>
<tr>
<th>Liaison Area</th>
<th>Board Member</th>
<th>Administrator</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Board Officers:</strong></td>
<td></td>
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<tr>
<td>Chairman</td>
<td>Richard Akin</td>
<td>Jim Nathan/Cathy Stephens</td>
</tr>
<tr>
<td>Vice Chairman</td>
<td>Sandy Cohen, MD</td>
<td>Jim Nathan/Cathy Stephens</td>
</tr>
<tr>
<td>Treasurer</td>
<td>Marilyn Stout</td>
<td>Mike German</td>
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<tr>
<td>Secretary</td>
<td>Diane Champion</td>
<td>Cathy Stephens</td>
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<tr>
<td><strong>Board Liaison to:</strong></td>
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<tr>
<td>Quality &amp; Safety Planning</td>
<td>Sandy Cohen, MD</td>
<td>Chuck Krivenko, MD</td>
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<tr>
<td>Finance Governance</td>
<td>Chris Hansen</td>
<td>Kevin Newingham</td>
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<td></td>
<td>Marilyn Stout</td>
<td>Mike German</td>
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<td></td>
<td>Dave Collins</td>
<td>Cathy Stephens</td>
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<tr>
<td><strong>Acute Care Facility Liaisons</strong></td>
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<tr>
<td>(includes liaison to Medical Staff):</td>
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<tr>
<td>✤ Cape Coral Hospital</td>
<td>Marilyn Stout</td>
<td>CCH Chief Administrative Officer: Scott Kashman</td>
</tr>
<tr>
<td>✤ Gulf Coast Medical Center</td>
<td>Sandy Cohen, MD</td>
<td>GCMC Chief Administrative Officer: Joshua DeTillio</td>
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<tr>
<td>✤ HealthPark Medical Center</td>
<td>Richard Akin</td>
<td>HPMC Chief Administrative Officer: Donna Giannuzzi, RN, MBA</td>
</tr>
<tr>
<td>✤ Golisano Children’s Hospital</td>
<td>Steve Brown, MD</td>
<td>Children’s Hospital Chief Admin Officer: Dan Fink</td>
</tr>
<tr>
<td>✤ Lee Memorial Hospital includes Regional Trauma Services &amp; Rehab Hospital</td>
<td>Chris Hansen</td>
<td>LMH Chief Administrative Officer: Lisa Sgarlata, RN, MSN</td>
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<td></td>
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<td>Trauma: Ernst Vieux, MD &amp; Sally Jackson</td>
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<td>Rehab: Walt Ittenbach</td>
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<tr>
<td><strong>Ambulatory, LPG &amp; Physician Services</strong></td>
<td>Sandy Cohen, MD</td>
<td>Scott Nygaard, MD</td>
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<td>Dave Cato</td>
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<td><strong>Community Health &amp; Wellness</strong></td>
<td>Jessica Carter</td>
<td>Kevin Newingham, Sally Jackson</td>
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<td>Scott Kashman, Sal Lacagnina, MD</td>
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<tr>
<td><strong>Continuum of Care &amp; Clinical Integration</strong></td>
<td>Nancy McGovern, RN, MSM</td>
<td>Marjory May, Suzanne Bradach</td>
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<td>Sharon MacDonald, MSN</td>
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<td>Chris Nesheim, Scott Nygaard, MD</td>
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<tr>
<td><strong>Corporate Compliance &amp; Risk Management</strong></td>
<td>Nancy McGovern, RN, MSM</td>
<td>Cathy Kahle (interim)</td>
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<td></td>
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<td>Mary McGillicuddy</td>
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<td><strong>Human Resources &amp; Volunteer Services</strong></td>
<td>Diane Champion</td>
<td>Jon Cecil</td>
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<td>Auxiliary Presidents</td>
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<td><strong>Information Systems</strong></td>
<td>Dave Collins</td>
<td>Mike Smith</td>
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<tr>
<td><strong>Nursing &amp; Patient Care Services</strong></td>
<td>Stephanie Meyer, BSN, RN</td>
<td>Donna Giannuzzi, RN, MBA</td>
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<tr>
<td><strong>Supporting Foundations (LMHS Foundation; Lee Healthcare Resources)</strong></td>
<td>Richard Akin</td>
<td>Sharon MacDonald, MSN</td>
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<td>Doug Dodson</td>
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</table>
**DATE:** January 17, 2013  

**LEGAL SERVICE REVIEW?** YES [✓]  NO [ ]

**SUBJECT:** Selection Committee’s ranking of the commissioning authority firms for the Golisano Children’s Hospital and associated enabling projects

**REQUESTOR & TITLE:** Dave Kistel, Vice President, Facilities & Support

**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.)

March 8, 2012 Board gave approval to proceed with the shortlisting of commissioning authority services for the Children’s Hospital & associated enabling projects at HPMC.

**SPECIFIC PROPOSED MOTION:**

Approval of rankings as submitted for Commissioning Authority services for the Golisano Children’s Hospital and associated enabling projects:

1) First ranked, SSR Cx – 477 points; second ranked, CCRD – 421 points; third ranked, Matern Professional Engineering – 415 points.
2) Proceed with contract negotiations per Board policy, starting with highest numerically ranked firm, SSR Cx.

**PROS TO RECOMMENDATION**

1) Follows predetermined ranking process  
2) Allows the facility staff to move forward with competitive negotiations

<table>
<thead>
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**LIST AND EXPLAIN ALTERNATIVES CONSIDERED**

**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**

Following the short listing of commissioning authority firms for the new Children’s Hospital facility and modifications to HPMC, a team of individuals followed Board Policy in evaluation of the three finalists. All three firms were and still are (following the interviews) considered highly qualified for the nature of this work. The LMHS Board has the final determination and the recommendation offered is based on the results of the numerical ranking.
CHAIRMAN TO LIAISON:

PLANNING
BOARD OF DIRECTORS
MEETING
Thursday, January 17, 2013
1:00pm

PLANNING BOARD
LIAISON
Orthopedic Surgery Co-Management

Collaborative Effort Between Lee Memorial Health System and Specialty Management Services, LLC

January 2013 Update

John Mehalik, MD
Vision

• To jointly develop, manage, and operate a world-class Orthopedic Surgery Service Line at LMH based on a patient-centric environment

• Develop a destination site for a wide continuum of inpatient and outpatient orthopedic services

• Driven and governed by a Service Line Co-Management Agreement with 24 community orthopedic surgeons
Objectives

- To create opportunities for participating physicians to become directly involved in the control, management, and overall decision-making processes
- To promote physician leadership in all aspects of operational and clinical services focused on improving clinical outcomes, patient experience and operational efficiencies in orthopedics
Objectives

• To align clinical, operational, and financial incentives
• To obtain measurable and objective improvements in quality, patient safety, and efficiency
• To collaborate around mutually beneficial strategies
• To revitalize and strengthen long-term viability of Lee Memorial Hospital campus
• To position physicians/health system to be responsive to health care reform/market demands
• To create a viable, sustainable relationship, positioned to endure inevitable changes in healthcare delivery
Oversight By Leadership Council

• Leadership Council
  – Physician Representatives
  – Hospital Representatives
  – Anesthesia Representative

• Responsibility to oversee implementation of Management Agreement
  – Define roles and responsibilities
  – Approvals of protocols and policies
  – Changes in staffing and personnel
  – Development of metrics and measuring tools
  – Appointment of task forces, committees, etc
Joint Operating Council

- John Mehalik, MD
- Pete Curcione, DO
- Ed Humbert, DO
- Jeremy Schwartz, MD
- Kevin Newingham, VP of Strategic Services
- Mike German, CFO
- Lisa Sgarlata, CAO
- Sasha Gupta, MD
- Sandy Beach, RN, OR Director**
- Alex Greenwood**

**= non voting member
SMS Structure

• Board of Managers
  – Medical Director
    • Mehalik
  – Committee Chairs
    • Curcione
    • Humbert
    • Schwartz

• Individual Task Assignments (20 surgeons)
  – Surgeon(s) teamed with LMH leaders
  – Work collaboratively on specific tasks/metrics
  – Report to chairs who attend monthly JOC
Terms of Management Agreement

- Requires cultural shift/re-alignment
  - Nursing
  - Anesthesia
  - Process

- Broad categories of services:
  - General Management Services
  - Performance Improvement Services
    - Quality/Safety
    - Efficiency
    - Program/Facility Development Services
Terms of Management Agreement

- General Management Services
  - Medical direction
  - Protocol development
  - Supply chain assistance
  - Equipment & technology review/recommendations
  - Education and training of clinical staff
  - Input into strategic and operational planning
  - Clinical oversight
  - Community outreach
Terms of Management Agreement

• Performance Improvement Initiatives
  – Three main categories
    • Quality of Service Improvement
    • Operational Efficiencies
    • Program Development
  – Valued through an independent operational assessment of the Service Line (FMV)

• Program/Facility Development Services
  – Planning for programs and facilities at the LMH campus
  – Site remodel, development
  – Redesign delivery system to achieve efficiencies
Year One Successes

- **General Management Services**
  - Designed acute pain management protocols (catheters)
  - Extension on implant pricing
- **Demand Matching of Implants**
  - Fully Implemented, creates efficiency and predictability
  - Matched with cost matrix
- **Readmission Rates**
  - Identified DVT and wound issues as most likely
  - Researched, developed outpt protocol for DVT Rx
  - Implemented ER/surgeon communication protocol
- **Operating Room Efficiency**
  - PACU times down 300%
  - Increased cases to Sanctuary Outpatient Center
Year Two Successes

• Quality of Service
  – Crimson Implementation
  – Patient Satisfaction (HCAHPS)
  – Readmission Rates

• Operational Efficiencies
  – First Case On-time Starts
  – Block Time Utilization

• Program Development
  – Blue Distinction
  – Coding/Documentation Initiative
  – Geriatric Fracture Program
Year Three Discussion

• Critically analyzed successes and shortfalls
• Identified opportunities for real growth
  – Philosophy
  – Execution
  – Communication
  – Expectation
  – Commitment
  – Vision
  – INTEGRATION
• Retreat
  – November 26-27, 2012
  – Efficient development of mutual strategic vision
Retreat Outcome

• HC delivery and reimbursement WILL change
  – Value based purchasing
  – Hospital acquired conditions/readmissions

• Rates will NOT keep pace with inflation
  – Hospital reimbursement declines
  – Physician reimbursement declines

• Providers/Hospitals must take on addl ‘risk’
• Must develop ‘sustainable’ approach to deliver HC services
  – Good news = already have mechanism in place
  – Requires renewed and upgraded integration

• Palpable momentum and energy!
Year Three

• Program Development – 30%
  – Renewed commitment w System-wide expansion
  – Develop sustainability model

• Operational Efficiency – 30%
  – OR 1st Case Starts
  – OR Turn-around time
  – Block Utilization

• Quality of Service – 40%
  – HCAHPS
  – Demand Matching
  – SS Infection Rate
  – Readmissions – Fx Program
Thank You!
# System Strategic Initiatives
## FY 2013 Scorecard

As of January 9, 2012

<table>
<thead>
<tr>
<th>Strategic Initiative</th>
<th>Indicator/Measure</th>
<th>FY 2013 Meets</th>
<th>FY 2013 Exceeds</th>
<th>Current Status</th>
<th>Tracking</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service, Safety &amp; Quality</strong></td>
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<tr>
<td></td>
<td>HCAHPS - Avg of Value Based Purchasing dimensions</td>
<td>75.0%</td>
<td>77.0%</td>
<td>69.0%</td>
<td>Does Not Meet</td>
<td>1Q FY 2013</td>
</tr>
<tr>
<td></td>
<td>Core Measures - Avg of Value Based Purchasing dimensions</td>
<td>91.0%</td>
<td>93.0%</td>
<td>90.9%</td>
<td>Does Not Meet</td>
<td>4Q FY 2012</td>
</tr>
<tr>
<td></td>
<td>Surgical Site Infection Rate Adult</td>
<td>1.35%</td>
<td>1.26%</td>
<td>1.37%</td>
<td>Does Not Meet</td>
<td>Nov 2012 12 mos avg</td>
</tr>
<tr>
<td></td>
<td>Venous Thrombosis &amp; Embolism Reduction per 1,000 cases</td>
<td>5.7</td>
<td>5.1</td>
<td>4.9</td>
<td>Exceeds</td>
<td>Sept 2012 12 mos avg</td>
</tr>
<tr>
<td></td>
<td>Serious Safety Event Rate per 10,000 adjusted patient days</td>
<td>0.15</td>
<td>0.13</td>
<td>0.10</td>
<td>Exceeds</td>
<td>Nov 2012 12 mos avg</td>
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<tr>
<td><strong>Clinical Integration</strong></td>
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<td></td>
<td>Efficient Use of Beds - Reduction in Average Length of Stay</td>
<td>-0.10</td>
<td>-0.20</td>
<td>-0.17</td>
<td>Meets</td>
<td>Nov 2012 FYTD</td>
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<tr>
<td></td>
<td>30-day Readmissions</td>
<td>17.0%</td>
<td>16.0%</td>
<td>12.6%</td>
<td>Exceeds</td>
<td>Sep 2012 12 mos avg</td>
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<tr>
<td><strong>Aligned Multispecialty Group</strong></td>
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<tr>
<td></td>
<td>Increase in Freestanding Outpatient Net Revenue Actual YOY (2012 vs 2013)</td>
<td>10%</td>
<td>12%</td>
<td>23%</td>
<td>Exceeds</td>
<td>Nov 2012 FYTD</td>
</tr>
<tr>
<td></td>
<td>Increase in LPG Primary Care Patients</td>
<td>8%</td>
<td>10%</td>
<td>1.1%</td>
<td>In Progress</td>
<td>1Q FYTD 2013</td>
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<tr>
<td><strong>Workforce</strong></td>
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<tr>
<td></td>
<td>Employee Engagement Index</td>
<td>70.5</td>
<td>72.5</td>
<td>--</td>
<td>In Progress</td>
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<tr>
<td><strong>Financial Viability</strong></td>
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<tr>
<td></td>
<td>Operating Margin</td>
<td>2.4%</td>
<td>2.6%</td>
<td>2.5%</td>
<td>Meets</td>
<td>Nov 2012 FYTD</td>
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<tr>
<td></td>
<td>Revenue Increase: Total Outpatient Revenue (in Millions)</td>
<td>$1,846.2</td>
<td>$1,900.0</td>
<td>$323.8</td>
<td>In Progress</td>
<td>Nov 2012 FYTD</td>
</tr>
<tr>
<td></td>
<td>Expense Reduction: Total Operating Expenses per Case Mix Adjusted Admit</td>
<td>$6,780</td>
<td>$6,650</td>
<td>$6,757</td>
<td>Meets</td>
<td>Nov 2012 FYTD</td>
</tr>
</tbody>
</table>
Lee Memorial Health System
Strategic Plan

Kevin Newingham
January 2013
LMHS Mission
Our mission is to continue to meet the health care needs and improve the health status of the people of Southwest Florida

LMHS Vision
Our vision is to become the best patient- and family-centered health care system by working collaboratively to deliver excellence in quality, safety, efficiency and compassion.
<table>
<thead>
<tr>
<th>Initiative</th>
<th>Objective</th>
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</thead>
<tbody>
<tr>
<td>Service, Safety &amp; Quality</td>
<td>Deliver safe, highly reliable and exceptional patient centered care</td>
</tr>
<tr>
<td>Clinical Integration</td>
<td>Continue development of a clinically and technologically integrated provider network</td>
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<td>Financial Viability</td>
<td>Assure on-going financial viability of LMHS</td>
</tr>
<tr>
<td>Aligned Multispecialty Group</td>
<td>Develop a culturally and strategically aligned multispecialty group</td>
</tr>
<tr>
<td>Workforce</td>
<td>Ensure an optimal supply of quality physicians and workforce</td>
</tr>
</tbody>
</table>
Strategies

Service, Safety & Quality

- Improve patient experience
- Improve compliance with standardized protocols and pathways
- Enhance hospitalist service
- Align medical directors payments and hospital based physicians subsidies with hospital safety and service goals
Strategies

Clinical Integration

- Develop comprehensive manage care strategy
- Create/extend digital connectivity
- Develop continuum of care
- Develop disease management programs
- Pursue FQHC look alike designation
- Finalize and implement master facility plan
Strategies

Financial Viability

- Enhance outpatient market position
- Rapid standardization across health system
- Develop solutions to maximize growth, efficiency and capacity
Strategies

Aligned Multispecialty Group

- Promote referrals within the health system
- Expand number of employed primary care physicians
- Become Go To Group
- Optimize Practice operations
Strategies

Workforce

- Improve employee engagement
- Develop a graduate medical education program
- Enhance leadership training program development
- Develop physician leaders
- Implement pay for performance plan
<table>
<thead>
<tr>
<th>Strategic Initiative</th>
<th>Service, Safety and Quality</th>
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<tr>
<td>Owner</td>
<td>Chuck Krivenko</td>
<td>Larry Antonucci</td>
<td>Mike German</td>
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</tr>
<tr>
<td>Description</td>
<td>Deliver safe, highly reliable and exceptional patient centered care</td>
<td>Continue development of a clinically and technologically integrated provider network</td>
<td>Assure ongoing financial viability of LMHS</td>
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<td>Strategies</td>
<td>Improve patient experience</td>
<td>Develop comprehensive managed care strategy</td>
<td>Enhance outpatient market position</td>
<td>Promote referrals within the health system (system based care)</td>
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<td>Owner</td>
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<td>TBD</td>
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<td>Enhance hospitalist service</td>
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<td>Align medical directors payments and hospital based physicians subsidies with hospital safety and service goals</td>
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<td>Finalize and implement master facility plan</td>
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DISCHARGE CALLS
(Verbal Update)

Donna Giannuzzi, RN, MBA, NEA-BC
Chief Patient Care Officer
ADJOURNMENT

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LEE MEMORIAL HEALTH SYSTEM
BOARD OF DIRECTORS

DATE OF THE NEXT
REGULARLY SCHEDULED
MEETING

PLANNING
FULL BOARD MEETING

Thursday, March 7, 2013
at 1:00p.m.

Gulf Coast Medical Center- Boardroom
Medical Office Building
13685 Doctors Way
Ft Myers, FL 33912
CHAIRMAN CHANGE:

Lee Memorial Health System
FULL BOARD OF DIRECTORS MEETING
Thursday, January 17, 2013

BOARD CHAIRMAN:
Richard Akin
OLD BUSINESS

A. LPG Building Purchase *(Approve)*
DATE: January 17, 2013

LEGAL SERVICE REVIEW? YES x NO

SUBJECT: Purchase of LPG-College Point Physician office, 9131 College Pointe Ct. Ft. Myers (request revised after 11/20/12 approval).

REQUESTOR & TITLE: Mike German, CFO

PREVIOUS BOARD ACTION ON THIS ITEM (IF ANY)
(Justification and/or background for recommendations – internal groups i.e. SLC, Operating Councils, PMTs, etc.) On June 12, 2002 the System commenced a lease of the building. On November 20, 2012, the Board approved the exercise of right of first refusal and purchase of property for $3.6 million, which included the assumption of a loan in the amount of $1.4 million and a cash payment of $2.2 million.

SPECIFIC PROPOSED MOTION: To approve and exercise the System’s right of first refusal to purchase the building at 9131 College Point Ct. for a purchase price of $4 million, together with standard buyer’s closing costs, and to authorize the President, CFO, and/or Chairperson to execute any and all documents necessary to complete said purchase transaction.

PROS TO RECOMMENDATION
Based on the current lease agreement the system will save $1.4 million by purchasing the property.

CONS TO RECOMMENDATION
Use of system cash

LIST AND EXPLAIN ALTERNATIVES CONSIDERED. Currently the lease term at college point extends another 14 years for total lease payments of $5,431,249 versus a purchase price of $4,000,000. If LPG stays with current lease arrangement, Lee Memorial will be spending and additional $1.4 million dollars over the next 14 years.

FINANCIAL IMPLICATIONS
Budgeted _____ Non-Budgeted __x__
(including cash flow statement, projected cash flow, balance sheet and income statement)
Purchase of building is not budgeted however, annual lease payments are budgeted.

OPERATIONAL IMPLICATIONS (including FTEs, facility needs, etc.) No impact on operations.

SUMMARY
Currently, LPG- College Pointe houses seventeen physicians ranging from family practice, internal medicine and Pulmonology. The building is centrally located on College Parkway and provides patient access for patients in south Cape Coral, McGregor Blvd. corridor, College Parkway and downtown Ft. Myers. The building is also located only a few miles from outpatient services at Riverwalk on College Parkway. LPG is strategically committed to stay in the building for future years.

LMHS was presented with a notice that the landlord and owner of the College Pointe Building received a purchase offer for $4 million, which triggered LMHS’s right of first refusal to purchase the property for the same price. The owner has an outstanding loan with respect to the property which includes an approximately $400,000 pre-payment penalty. Therefore, the owner offered a $400,000 discount on the $4 million purchase price if LMHS assumed the existing loan of $1.4 million.

Upon further review of the purchase and loan transaction, it has been determined that the loan assumption may be viewed as a lending of public credit in violation of the Florida Constitution. Therefore, the Board is being asked to approve the purchase of the College Pointe Building for the original $4 million purchase price to be paid in cash without assuming the loan.
NEW BUSINESS
BOARD OF DIRECTORS’ REPORTS
DATE OF THE NEXT
REGULARLY SCHEDULED
MEETING:

FINANCE BOARD & FULL
BOARD OF DIRECTORS’
MEETINGS

Thursday, January 24, 2013
1:00pm

Gulf Coast Medical Center Boardroom
13685 Doctors Way, Ft. Myers, FL 33912