

**REPORT OF THE MEDICAL CARE COMMISSION MEETING
HELD ON NOVEMBER 2, 2007**

I. CALL TO ORDER AND ROLL CALL

The meeting of the Medical Care Commission was called to order at 9:00 a.m., on November 2, 2007, in the Town Council Chambers. Members of the Commission present were: Chair Michael Dennis, Vice Chair Robert Friedman, Commission Member Richard Furlaud, Commission Member Norman Goldblum, Commission Member Michael Stein, and Commission Member Norman Traverse.

II. PLEDGE OF ALLEGIANCE

Chair Dennis led the Pledge of Allegiance.

III. APPROVAL OF AGENDA

The Agenda was approved as printed.

Chair Dennis commented on the following:

- The second anniversary of the Medical Care Commission.
- The primary responsibility of the Medical Care Commission was to the residents of Palm Beach, and had required visits to every major medical center throughout the entire county.
- The need for an academic medical center in this region.
- The involvement of JFK Medical Center and the VA Hospital with the residency program coordinated by the University of Miami Miller School of Medicine and Florida Atlantic University residency program.

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IV. PRESENTATION BY STEVE SLOATE, SENIOR VICE PRESIDENT AND CHIEF STRATEGY OFFICER FOR BOCA RATON COMMUNITY HOSPITAL RE: FAU MEDICAL SCHOOL AND POTENTIAL EXPANSION INTO A NEW ACADEMIC TEACHING HOSPITAL.

Chair Dennis introduced and thanked Mr. Steve Sloate, Senior Vice President and Chief Strategy Officer for Boca Raton Community Hospital, for attending today's meeting.

Mr. Sloate, in turn, thanked the Medical Care Commission (MCC) for inviting him today, and for all that the Commission had accomplished during their two-year existence. He noted that it was an exciting time to be in Palm Beach County as it pertained to the growth and development of health care. He advised that there would be a press conference later this morning at Mar-a-Lago to announce the very unique public/private partnership between the University of Miami Miller School of Medicine (UM) and Florida Atlantic University (FAU) expansion to a full medical regional campus in both the south and north county. He presented a power point presentation to discuss this project as follows:

- The Charles E. Schmidt Foundation donated \$75 million to this project, and the Boca Raton Community Hospital would, in the future be known as the Charles E. Schmidt Medical Center on the FAU campus.
- The Market Challenge: FY06 vs. FY07
- When Will the Market Stabilize?
- The Professional Labor Market
- The Rich Promise of Boca Raton
- The Charles E. Schmidt Medical Center Campus
- Total Site Development
- Economic Development
- Economic Impact: Operations
- Economic Impact: Development
- Social Benefits
- Hurdles to Clear
- Request for Support

Chair Dennis thanked Mr. Sloate for his presentation. He commented that about a year ago, here in Palm Beach, Frank Brogan, FAU President, had presented this concept, but it had been somewhat larger in scope in terms of hospital size. He questioned whether decisions made were economically related given the environment that had been highlighted by him.

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Mr. Sloate responded that the scope of this project was originally for 550 beds, but the market demonstrated here has put some flux on how to set this up. He explained that, at this moment, they were rigid in their goal to build a teaching hospital, but they did have to be somewhat flexible as to what was occurring in the marketplace in terms of how and when this would take place in order that the original projection, which remained on track today, would have this new enterprise open in 2012. He commented that if they found themselves to be on a new lower plateau, the operating performance of the existing hospital would be such that it would be difficult to go to the debt markets on the time frame originally established. He noted that they might have to address where they were every quarter relative to the hurdles mentioned earlier.

Dr. Dennis noted that he was intrigued by Mr. Sloate's figure of \$650 million for a 550-bed hospital. He advised that he had been quoted a figure of \$1.7 million per bed.

Mr. Sloate responded that it was an operative number. He explained that they were designing the safest hospital and standardizing many areas, which would be more costly to hospitals that did not standardize when building a new hospital. He advised that if they were adding onto an existing facility, they could end up with all types of costs, noting that they had the luxury of building the first medical center in thirty years.

Chair Dennis commented on the looming shortage of physicians, noting that Mr. Sloate had indicated that an academic training center tended to retain the physicians who had been trained in that region.

Mr. Sloate advised that was an important reason for placing graduate medical education at JFK, at the VA Hospital, and potentially, at Palm Beach County Public Health Services. The more physicians in a graduate medical education, the more that remained and that was the reason the University of Miami Miller School of Medicine wanted as many graduate education slots as possible.

Commission Member Friedman expressed concern over inflation and the weak dollar related to the cost of construction, which over the past two years had increased exponentially.

Mr. Sloate responded that Mr. Friedman had made an excellent point and that they were working closely with some of the finest minds, internationally, in the industry, to project costs.

V. COMMENTS FROM THE PUBLIC

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Mr. Sloate responded to questions from Dr. Conroy as follows:

- The basic sciences would be taught both at FAU and UM.
- Physically based at FAU would be a component of the University of Miami's full time staff dedicated to teaching and research, working with a compliment of a volunteer faculty and the community.

Mr. Sloate responded to questions from Dr. Fink as follows:

- The University of Miami had recruited from Duke University within the last year and a half a new dean, Dr. Pascal Goldschmidt.
 - ▶ Dr. Goldschmidt had recruited some stellar people from some of the best medical schools in the country to join him in this quest to build a medical school.
 - ▶ FAU continued to recruit a fantastic faculty as part of this overall program.
 - ▶ The hospital had a small role in the growth and development of the medical school.
- The three-way relationship with the county, on a distributed basis, would create a superb medical school over time, and far faster than it would have otherwise. It would not take twenty-five years.

Mr. Sloate commented on the hospital's ability relative to the change in reimbursement and the heavy medicare population in this marketplace.

Chair Dennis advised that the Medical Care Commission has been very supportive of the University of Miami having held special conferences in Town as well as hearing from Dr. Goldschmidt since coming onboard at UM in April 2006.

Chair Dennis questioned whether there was a possibility that this project could be developed in a more central location in the county, if problems developed in Boca.

Mr. Sloate responded that the State of Florida had a Certificate of Need Law and explained that in order to move the hospital less than one mile, which was what would occur, a Certificate of Need process was not required. It took Boca seventeen years to get the Certificate of Need for their new open heart program, which opened about a year ago. If anyone tried to build a new hospital of this magnitude in mid-county or anywhere else in the county, every other hospital would challenge it.

Chair Dennis noted that there were arguments in the other direction that, given the importance of a center such as this, a Certificate of Need could be accelerated.

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Mr. Sloate responded to the following questions and concerns of Town of Palm Beach Council Member Susan Markin:

- The 6% decrease shown earlier were admissions, ER visits, surgery, etc., and were not financial numbers.
- The hurdle of name branding of some medical schools.
- The University of Miami Miller School of Medicine at FAU would be the focal point for this project, and ultimately responsible for its success. Dr. Goldschmidt would be held accountable as to how the medical school ultimately was viewed in this county.

In response to Chair Dennis, Mr. Sloate noted that the affiliation agreement between the University of Miami Miller School of Medicine and FAU, on behalf of Boca Raton Community Hospital, had taken almost two years to negotiate. It was the University of Miami Miller School of Medicine license that would be placed into this three-way relationship, and the terms and conditions of that affiliation agreement were such that it would be very difficult for FAU to decide that they were going to change from a University of Miami school to a State school. It would probably not be good for the students as all of this evolved over time.

Dr. Karen Dodge, Palm Beach County Health Department, questioned what Mr. Sloate meant by community medicine, and if he was referring to a residency in preventive medicine.

Mr. Sloate clarified what he meant by community medicine, noting that he was not talking about primary care exclusively, but about the entire range of physician capabilities in the market.

Chair Dennis thanked Mr. Sloate very much, noting that his presentation was one of a wonderful concept. The Commission wished him good luck and advised him that if they could assist in any way, to please let them know.

Chair Dennis noted that he only had one modification comment related to Mr. Sloate's comments on medical schools and institutions starting off, and he advised that Harvard started off on top and stayed there.

VI. ANY OTHER MATTERS

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The next meeting of the Medical Care Commission would be held on November 7, 2007.

VII. ADJOURNMENT

There being no further business, the November 2, 2007, Medical Care Commission meeting was adjourned at 10:00 a.m.

APPROVED:

Michael Dennis, M.D.
Chairman