REPORT OF THE MEDICAL CARE COMMISSION MEETING
HELD ON JANUARY 12, 2006

I. CALL TO ORDER AND ROLL CALL

The meeting of the Medical Care Commission was called to order in the Town Council Chambers at 4:00 p.m., on Thursday, January 12, 2006. On roll call, all members of the Commission were in attendance. Others present for all or a portion of the meeting were: Mayor Jack McDonald, Town Council Members Norman P. Goldblum, and Allen S. Wyett, Town Manager Peter B. Elwell, Fire-Rescue EMS Division Coordinator Brian Fuller, and Town Clerk Susan A. Eichhorn.

II. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Dennis.

III. APPROVAL OF AGENDA

The Agenda was approved as printed.

IV. PRESENTATION BY JUDY GOODMAN

Chair Dennis introduced Judy Goodman, as a Palm Beach resident for more than 30 years, also a medical journalist, and editorial director for a local CBS television station during her long business career, before earning her law degree with a health care law concentration. She has been published in the Nova Law Review in 2002. Now, in private practice and public policy law, Ms. Goodman was active in the Good Samaritan/St. Mary's situation of a few years ago, and brings a wealth of information.

Ms. Judy Goodman addressed the Commission, stating that she was hopeful that in the next half hour she could get the Commission up to speed on many of the factors that affect local health care access, and would recommend ways that the Commission could focus its work to be most effective.

The following is a summarization of the comments of Ms. Goodman:

- Review of factors related to operations and finances of the two local hospitals - Good Samaritan and St. Mary's:

  Accounts Receivable
  Classification of rates charged
  Net patient revenue
  Occupancy rates
  Payer mix
  Consultant studies
  Infection rates
  Status of Tenet Agreement with Attorney General
  Financials for Good Samaritan Hospital and St. Mary's Hospital (published online with the Agency for Health Care Administration (ACHA)
  Cardiac services
  Emergency room crises

- Effective focus of Medical Care Commission:

  Short term effort: Address emergency care problem

  Long term efforts:

  Maintain harmonious relationships with local hospital administration
  Gather information – perhaps a study as to quantifiable needs
  Explore acute angioplasty services
  Explore conversion of hospital structure

Ms. Goodman stressed that one important concept for the Medical Care Commission to understand was that five years ago, despite politicians using microphones, issuing statements, providing solidarity and moral support to keep both hospitals open — the fact remained that not one additional dollar, not one additional dime, of public subsidy came forward then –not from the County, not from the State, not from the cities, or the Health Care District. That fact needed to be kept in mind as the struggle today was ongoing with what it was possible to do to cure certain problems in the local health care system, which most definitely should be addressed politically by people such as those on the Medical Care Commission, and those in leadership roles.

Ms. Goodman commented that there was a tremendous amount of opportunity to have model projects to fix things, and in fact, much of the state and nation was looking at those opportunities and the funding vehicles available through Quantum, and some of the individuals that are involved in the Medical Services Foundation group that have both project access and information. She noted that Paul Gianfritto (ph) was working for that group, along with Richard Cameron, and she was very hopeful that a solution would be found with people working together to loosen up some of the public dollars that had been so conservatively safeguarded by some of the institutional groups in the community, such as the Health Care District.

Ms. Goodman then opened the floor for questions:

Chair Dennis referred to the term "acute care services," which was relatively loosely worded, without identification of specific services, and asked how much leeway there was in terms of reducing services?

Ms. Goodman replied that the Special Masters Report contained exactly what was required. The health care consultant, who had prepared the compliance report for the Attorney General, Mr. Tony Gigliotti, was present this evening, and could address that report.

Mr. Gigliotti addressed the Medical Care Commission, commending them and Mayor McDonald for engaging in one of the only municipal efforts in the country to explore the medical issues, problems and challenges. He noted that there were four or five items that were required or defined as core services, and in the area of inpatient care, it was defined largely as medical/surgical, so there was considerable latitude in terms of what the hospital could or could not do to satisfy its commitment to core services.

Ms. Goodman advised that there were the following core services required: medical/surgical services, emergency services, including trauma services at St. Mary's for the period of the awarded trauma contract from Palm Beach County, pediatric services, orthopedic services, and ob/gyn.

In response to Chair Dennis, Mr. Gigliotti replied that the neurosurgery, neurology, and cardiology services were broadly included in the term of medical/surgical. It was traditional in hospitals to have all of the typical services in supporting a medical institution – cardiology, neurosurgery, neurology, ophthalmology, pediatrics, obstetrics – all of those medical/surgical elements would be part of what a hospital normally provides in a community setting.

In response to Commission Member Bilotti, Ms. Goodman replied that, according to the agreement, Good Samaritan must use its best efforts to reopen ob/gyn services at its campus, as soon as reasonably practicable, after the purchase and thereafter must maintain such services for a period of ten years after the date of purchase. She stated that she believed that ob/gyn was operational at Good Samaritan.

In response to Ms. Bilotti, Mr Gigliotti explained that there was $30,000,000 set up in a trust to provide for any indemnification that could come about that was unanticipated. To his knowledge, as of this date, there had been no claims against that, with the exception of a potential pension plan

contribution that was required; he was not aware of any malpractice issues, or other issues, that may have laid claim on that. The total amount of the principal was approximately $35,000,000, of which approximately $14,500,000 had been transferred to Intracoastal. He was not advised at this point of the disposition of those dollars, however, on or about July 1, 2006, there would be a final accounting process by Intracoastal to the Attorney General.

Ms. Goodman commented that she would like to read the following letter to Tenet from Intracoastal into the record, from Dale S. Weber, Buchanan Ingersol, the attorneys for Intracoastal:

"I understand you've requested that we provide a response to be utilized by Tenet in their report to the Florida Attorney General concerning how Intracoastal is doing . . .

Intracoastal continues to support the concept of development of community based programs, as referenced in the asset purchase agreement, however, the complexities associated with ceasing operations has impacted on the timing and ability of Intracoastal to participate in such programs. Intracoastal representatives have informed Tenet that because of Intracoastal's efforts to wind down its businesses, Intracoastal has yet to shift its focus to the support or development of new community based programs.

However, Intracoastal notes that Allegheny Franciscan Ministries, which is a successor by merger to Allegheny Franciscan Foundation of Palm Beach County, as an affiliate to Intracoastal and Catholic Health East, has been active in the Palm Beach County community over the past year, and has provided significant financial support to a number of health and welfare related charitable programs."

In response to Commission Member Stein, Ms. Goodman replied that she did not know the angioplasty mortality figure for local hospitals, but could obtain it. She referred to the cardiology report that she had referenced, which contained more specifics. She noted that the quality of health care was measurable by various indicators, and there were a tremendous amount of studies available. In order to obtain the best quality indicators, the websites of ACHA, or even the local Quantum Foundation or the Health Care District, would contain a variety of studies. The Institute of Medicine, for example, did an online quality metrics for almost every type of medical indices, and those published reports would provide a baseline with which to compare local figures. All of the information on local hospitals was published on line, and Florida was only one of six states that did that.

In response to Chair Dennis, regarding the requirement for Tenet to put roughly $30,000,000 into the hospitals over a five year period, Ms. Goodman advised that the Tenet was required to put $15,000,000 per campus, and that she believed that the financial report available represented capital costs.

Mr. Gigliotti commented that he had examined the invoices for all of the capital expenditures and all of the money had been spent on the pediatric center, acquisition of radiology equipment, and other medically related equipment.

In response to Commission Member Friedman, Ms. Goodman advised that the consultant, Richard Cameron, at the Medical Society offices, could be reached at the Medical Society offices, and he was being funded by Quantum. She also commented that Tenet was a very large public company on the stock exchange, and their SEC reports would indicate that they had sold many hospitals over the last few years, however, from the indications that she had seen, it seemed that Tenet would want to stay in a community that appeared to have good business for them. She noted that private purchase of the hospital was probably unrealistic, and suggested that the Medical Care Commission concentrate on something where they could make a difference, and the emergency rooms would be a good focus.

In response to Commission Member Bilotti, regarding the contract that Tenet had with the Attorney General being constraining to their making changes to meet the changes needs of medicines, for example not being able to change the beds/services, Ms. Goodman replied that anyone who had lived through the headlines of five years ago would not want to go through that route again, however, the reports both said the same thing – that people wanted the hospitals open in exactly the same configuration – whether that was driven by politician rhetoric or unionization – the fact remained that a lot of advocates do believe that there would be an important reconfiguration required and different reforms. There were many special interests involved, and it would take a while to bring everyone to the same place.

Chair Dennis asked if there were mechanisms by which private funds could be integrated with a for-profit hospital, like Tenet Health Care?

Ms. Goodman replied that there have been different models in different places where that had occurred, and a sophisticated lawyer could accomplish that.

Commission Member Stein commented that no hospital could make money operating at a 40% occupancy rate. He noted that in all of Palm Beach County, there was not one academic health center, and that went to the question of how to attract young good doctors into the area, and how to set standards of medical practice if there was not an academic institution as a core around which other health care facilities could be built. He commented that the community would not be able to have quality health care unless it could bring in those kind of standards. He suggested that a dialogue with Tenet may result in whether they would be amenable to some other kinds of relationships – the only way to get quality care in the community was to bring in some outside source, and make the kind of a deal that would enable Tenet to move aside and let other people come in and operate the hospital and set the standards. One problem with occupancy rates was that patients and doctors would go north for treatment.

Chair Dennis mentioned that the CEO of Tenet, Paul Echelard, initiated a luncheon with Mayor McDonald, Town Manager Elwell, and himself and that Mr. Echelard had been very open to questions that came up; he offered that they were putting $8.2 million into an energy plant, talked about long term lease assignments with physician groups, and addressed the long-range plan. When he was asked directly if there were plans to vacate the property in five years, he said that Tenet was in business to do well and intended to continue that process. Dr. Dennis acknowledged that the meeting achieved what Mayor McDonald and he had hoped would come out of it, and that was that

Mr. Echelard would be willing to come and speak to the group.

Chair Dennis thanked Ms. Goodman for the wonderful presentation, and called for any questions from the public. There were none.

V. APPROVAL OF MINUTES OF THE DECEMBER 16, 2005, MEETING

On call of the chair, motion made by Commission Member Traverse, seconded by Commission Member Bilotti, to approve the Minutes of the December 16, 2005, Medical Care Commission. The motion carried unanimously.

VI. SELECTION OF ADMINISTRATIVE ASSISTANT TO THE COMMISSION

After discussion, it was determined through consensus of the Commission, that the administrative assistant candidates present at the meeting today, would instead be privately interviewed by Town Manager Elwell, with a determination made by him of the best candidate according to the needs of the Medical Care Commission.

Motion made by Commission Member Furlaud, seconded by Commission Member Stein to delegate Town Manager Elwell to conduct the interviews of the administrative assistant candidates, carried unanimously.

Chair Dennis requested that the applicants stand to be recognized, and thanked all for being present.

VII. FURTHER CONSIDERATION OF POTENTIAL COMMUNITY SURVEY

Chair Dennis commented that he had spent some time during the past several weeks looking into potential survey groups, and noted that he had met earlier with the Palm Beach County Health Department in this regard. Basically, the Palm Beach County Health Department was responding to a statewide mandate from Governor Bush to do a survey of patient needs, based upon the Health Department evaluations. The Palm Beach County Health Department had indicated that they would

like to include the Town of Palm Beach in that survey. He noted that he had reservations that their survey was not really specific for the kinds of questions that the Commission needed to ask Palm Beach residents. He distributed copies of the Community Health Survey that the Palm Beach County Health Department was going to use, noting that his concern was that the questions were too non-specific; he had raised the question of whether they could customize the survey, however, it seemed unlikely that they could go to the extent that the Commission would desire. He suggested that the Commission meet with them to discuss the possibility of interaction with them.

Commission Member Traverse suggested that the Commission would be better off developing a survey on its own, or adding a separate page to the Health Department survey, distinctly for Palm Beach.

In response to Commission Member Stein, Chair Dennis replied that there had been several references to the fact that Palm Beach may be a resource, and that grant funding was being sought.

Commission Member Stein suggested that the survey be constructed with the soon-to-be hired administrative assistant.

It was the consensus of the Commission to contact the Palm Beach County Health Department to thank them for their input, that the Commission hoped to be able to work together, however, a survey specific to Palm Beach would most likely be constructed.

In response to Chair Dennis, Ms. Goodman commented that the design of the survey instrument would need to be exclusively sound, and be framed in a way that reflected what the Commission wanted to find out.

Chair Dennis commented that it was the general feeling of the Commission to approach every individual citizen.

Commission Member Traverse commented that he was very interested in a survey of physicians in the service area, since there were obviously problems with emergency care, etc. He suggested that the information gathered would be very useful.

Commission Member Stein commented that trying to cover every aspect of health care may not be useful, and that the focus should be narrowed to cover the hospital/physician part of the business; not that hospices, rehab, and assisted living were not important.

Chair Dennis noted that the minutes of the previous meeting had indicated that the Commission would concentrate on hospitals, clinics, and major provider realms of influence.

VIII. COMMENTS FROM THE PUBLIC

Dr. Richard Conroy commented that the issue of the quality of the physicians in the community had been raised, and it was not his impression that the quality of the physicians was the problem. He noted that there were many doctors that were very well trained, however, there were not ongoing academic facilities available.

Ms. Goodman commented that a physician survey had been done five years ago, and she could make that survey tool available, along with answers and responses. She explained that she did not think it was the quality of the doctors; much of the emergency room unavailability had to do with the unwillingness to serve for free without payment.

Commission Member Stein commented that there were some excellent doctors in the community, however, his earlier comments on quality had been in reference to hospital services, because there seemed to be a problem where some doctors in the community were sending their patients elsewhere for treatment. He suggested that was a reflection of their judgment as to the quality of those programs in local hospitals.

Town Councilman Allen Wyett commented that Good Sam's facilities, services, and quality of medical care were not bad for the standard type of medical problem for which admission was necessary. Patients were usually sent to teaching hospitals for very severe problems. Good Sam had a good facility, but not for heart care, not for stroke; their problem was dollars and cents – the emergency room staffing, and the free services required, along with the inability for them to provide services that the Palm Beach community wanted.

Chair Dennis commented that Dr. Sandy Burdette and Dr. Robert Green were present at the luncheon with Mr. Echelard, and they both strongly supported the practices at Good Sam.

Commission Member Bilotti commented that every day there were newspaper articles concerning the medical care problems, and it seemed that it was not as much the quality, as the quantity of young, new doctors coming in to replace the large number that were anticipating to retire within the next five to ten years. She knew of a few programs that were available to encourage nurses to train, and to stay in the community for several years afterwards if they accepted scholarships. She questioned what was being done to attract new doctors, who were not coming to the area because of the high cost of malpractice, the high cost of living, and the lack of ongoing educational facilities.

Chair Dennis commented that he had approached that subject with Richard Cameron, consultant with the County Medical Society, and suggested that Mr. Cameron be invited to address the Commission.

Town Councilman Norman Goldblum commented that he knew of several communities throughout the United States that brought in young doctors and supported them. He suggested that some type of fellowship work may be necessary in order to bring new doctors into the area. He

noted that citizens in the Town used to put a fortune into Good Sam, and since it was now a for profit hospital that funding was no longer in existence.

Chair Dennis replied that there may be ways to integrate private funding into the existing for profit hospitals.

Commission Member Stein suggested that the malpractice situation in Florida may require legislative measures, because it was depriving the community of the health care that it wanted.

Town Councilman Wyett commented that the physician problem was significant, and the solution was in Tallahassee and Washington. He suggested that the Town Council of Palm Beach join with communities in the League of Cities, and let the legislature hear from them. He noted that there was a legislative hearing coming up at the end of the month, and that the Town of Palm Beach should address the members of the legislature to start the ball rolling.

Town Councilman Goldblum noted that Morse Geriatric had just hired a young doctor, a Harvard graduate, and paid him a salary. He suggested that was what would need to be done in the community as well.

Commission Member Bilotti commented that the survey of the Town was incredibly important, because it would give the Commission the mandate to proceed and to take its findings to the Town Council. She suggested that there may be private funding available to fund the costs of the survey.

Town Manager Elwell commented that the community was still a seasonal community, and that it was important that the survey move forward so that the work could be done to create the tool, and conduct the survey before people left for the season.

Chair Dennis suggested that the survey would be the top priority for the next Commission meeting.

Commission Member Furlaud commented that he totally agreed with the idea of the survey, and re-emphasized that the efforts of the Commission should be focused on emergency care. He suggested that it would be useful to have statistics regarding what facilities were used by Palm Beach citizenry, what type of emergency care was available in each of these hospitals, which hospital patients from Palm Beach were taken to during the past year or so, and some idea as to the quality of care delivered in each of those emergency facilities, including the average waiting time for the patient.

Mayor McDonald commented that emergency care was an issue for everyone, not only in Palm Beach County, but in the State of Florida, and the Commission could make its greatest and quickest impact in that area. He suggested that the Commission focus on the emergency care issue as one of its primary objectives.

Fire-Rescue EMS Division Coordinator Brian Fuller commented that the Fire-Rescue

Department tracked certain data, concerning assessment, vital signs, and history; cardiac events required that the patient be transported to a cardiac facility, which were JFK or Palm Beach Gardens hospitals. The reason to go to Good Samaritan would only be because of patient choice, closeness to the hospital if the patient was in full cardiac arrest, or if a physician requested that the patient go to Good Samaritan, or if it was a priority three patient (someone who was stable, but had cuts, bruises, etc.). Trauma alerts south of Southern Blvd. were taken to Delray Beach hospital; north of Southern Blvd. to St. Mary's hospital. He explained that all of the hospitals were called prior to arrival, so that there was enough time for them to let the Fire-Rescue personnel know if the hospital was incapable of handling the emergency. He indicated that he would provide available data to the Commission, with information related to the numbers of patients taken to which hospital, why they were taken, how long the Fire-Rescue unit was at the hospital. He noted that Fire-Rescue must stay with the patient until the patient was seen, however, how long the patient waited to see a physician was not a time element that was captured.

Mr. Fuller clarified that the data desired would include the area hospitals that patients were transported to, how many transports were made to each hospital, what the Fire-Rescue personnel thought was wrong with the patient, and what speciality care treatments those hospitals provided.

Commission Member Furlaud also suggested that information should be collected on how many patients were going into the emergency room not because of an emergency, but because they had no other place to go.

Town Manager Elwell suggested that the administrative assistant and the Fire-Rescue personnel could collaborate, and then further information could be collected from the hospitals. Some real progress on that would be made between now and the next meeting.

Chair Dennis commented that the Commission members would need to identify specific information for the survey, and suggested that a meeting be planned for next week to review all of the suggestions of the Commission members.

Town Councilman Wyett suggested that information also be gathered from various hospitals to get emergency room admissions, and any other statistics that may be necessary in order to see the total scope of their operations.

IX. SET RECURRING MONTHLY MEETING SCHEDULE FOR 2006

Town Manager Elwell proposed a recurring monthly meeting schedule of the morning of the fourth Tuesday of each month, with additional meetings scheduled as necessary.

Motion made by Commission Member Friedman, seconded by Commission Member Stein, that the morning of the fourth Tuesday of each month would be reserved for the Medical Care Commission meetings.

Motion made by Commission Member Friedman, seconded by Commission Member Furlaud to hold a Medical Care Commission meeting on Thursday, January 19, 2006 and Tuesday, January 24, 2006, both at 9:00 a.m., in the Town Council Chambers. The motion carried unanimously.

Chair Dennis suggested that a set of informational questions be prepared before the meeting on January 24th, so that the Commission would be speaking with intelligence regarding the survey.

Town Manager Elwell explained that scheduling could be accomplished by e-mail, however, the development of the survey would need to be discussed in public at the meeting.

Town Manager Elwell clarified that the purpose of the meeting on January 19th was solely to share thoughts regarding the contents of the survey.

Chair Dennis suggested that consultant Richard Cameron be asked to be at the Commission meeting of January 24th, as well as Dr. Gilbert, who would soon be Chief of Staff of St. Mary's. It was the consensus of the Commission to do so.

Town Manager Elwell clarified that there would be some follow along work at the January 24th meeting related to the survey, and the two speakers that would be invited to attend.

X. ANY OTHER MATTERS

There were none.

XI. ADJOURNMENT

There being no further business, the meeting of the Medical Care Commission of January 12, 2006, was adjourned at 6:45 p.m.

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Michael Dennis
Chair

Prepared by:
Susan A. Eichhorn
Town Clerk