

**SPECIAL SESSION
December 22, 2003**

The Board of Supervisors of Maricopa County, Arizona convened in Special Session at 9:00 A.M., December 22, 2003, in the Supervisors' Conference Room, 301 W. Jefferson Phoenix, Arizona, with the following members present: Fulton Brock, Chairman; Andy Kunasek, Vice Chairman; Don Stapley; Max W. Wilson; and Mary Rose Wilcox. Also present: Fran McCarroll, Clerk of the Board, Shirley Million, Administrative Coordinator, Sandi Wilson, Deputy County Administrative Officer and Paul Golab, Deputy County Attorney.

PUBLIC HEARING - LIQUOR LICENSE APPLICATION

Chairman Brock called for a public hearing on this matter. No protests having been received and no speakers coming forth at the Chairman's call, motion was made by Supervisor Wilcox and seconded by Supervisor Wilson, to recommend approval of the following liquor license application:

Application filed by Daniel Patrick Ryan for a Special Event Liquor License: (F23105)

Organization:	Missing Link Racing
Location:	McDowell Mountain Regional Park
Date/Time:	Saturday, January 10, 2004

Motion carried by majority vote (4-1) with Supervisors Stapley, Kunasek, Wilson and Wilcox voting "aye" and Supervisor Brock voting "no."

LEASE WITH CENTERRE REHABILITATION HOSPITAL OF ARIZONA, LLC

Item: Approve an eight-year lease with Centerre Rehabilitation Hospital of Arizona, LLC for the 7th Floor of Maricopa Medical Center for \$34,666.67 per month. Centerre Rehabilitation of Arizona will operate an inpatient rehabilitation hospital at the site and upon the subsequent approval of a call for bids, award of a construction contract, and the completion of building renovations. The effective date of the lease will be upon completion of construction improvements with an estimated effective date of May 1, 2004. The lease allows for an additional eight-year renewal term. Consistent with Agenda C90040505, the initial \$350,000 of Centerre lease charges will be forgiven. In FY 2003-2004, projected charges of \$69,333 will be forgiven against projected revenue of \$69,333, resulting in net revenue of zero. In FY 2004-2005, projected charges of \$280,667 will be forgiven against projected revenue of \$416,000, resulting in net revenue of \$135,333. No additional forgiveness of lease charges is included. (Continued from meetings of November 19, December 3, and 17, 2003.) (C90040494)

Bill Sims, outside counsel, said that in discussing this item previously the Board had instructed him to determine Centerre's acceptance of two key issues: #1. That it was clear this agreement would transfer the hospital to the District when it is created – Mr. Sims reported that this is noted in the agreement. And, #2. That the County and the District are protected with regards to the \$1.2 million payment from Centerre. Mr. Sims said Centerre has agreed to issue a Letter of Credit for that amount.

Mr. Sims explained that a new issue had arisen last week that would require direction from the Board in order for them to negotiate some new information. He indicated that Centerre, although they had no duty to do so, had informed County Counsel of a Conference Report that had been issued on the Medicare Prescription Drug Bill. He said that while a Conference Report is not binding it is suggestive that a change in rules may be forthcoming. He added that this particular change would be good for hosts of inpatient rehabilitation facilities. To qualify for the new rule 75% of the patients, or of the services they receive, need

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to fall within certain categories and these categories have been listed in section one of the lease agreement. H.H.S. (Health and Human Services) is suggesting that this list of categories be broadened to provide additional services, which would be a good thing for the County as the host of such a facility. The downside is that the report also suggested that GAO (Government Accounting Office) conduct a survey to determine what the effect of such changes would be and this could cause an indefinite delay. An added concern is a concept in the report that would prohibit acceptance of any new applications for such a facility. If Centerre's application fell into this category Centerre's application could be rejected thereby making it very difficult for them to disburse funds for the necessary construction. However, Mr. Sims reported that they had negotiated a "fix" with Centerre to sign an altered lease stating that if the County doesn't get their Letter of Credit (to secure the \$1.2 million) within four months the lease agreement would be terminated. Centerre agreed to this, believing that with the signed lease plus their expenses to date they can argue with H.H.S. that this is a pending application and not a new one.

Chairman Brock asked if the County's decision to tie-up the 7th floor of the hospital for four months with such a contract would in any way conflict with their duties as the new Hospital District Board of Directors. Mr. Sims replied that this is one of many decisions the Supervisors would be asked to make. He stated, "You were asked by the Legislature to make these decisions on behalf of both the County and the District." He said that the hospital administration agrees that this would be a good business decision since it uses a floor that is not necessary to them and also creates a needed cash flow.

Supervisor Stapley asked if four months was long enough to get the needed approval or if that deadline might present a problem. Mr. Sims explained that Centerre believes it should take 30-60 days and four months was their suggestion. He said that Centerre has already spent \$100,000 and have received some approvals from the State Department of Pharmacy. They believe that the County's signature on the lease will complete their package for a pending application. In clarification, Bill Sims added that in four months all Centerre would have is their approved application and the license would come once the build-out is completed.

Supervisor Kunasek asked about protection from a change in the scope of service, "Are we assured that the 'hospital within a hospital' won't change their services without consulting the County or the District (when the transfer is complete)?" Mr. Sims replied that this protection has been included in paragraph one, which has been revised to reference federal law.

Supervisor Wilson asked about a back-up plan in case this does not get approved. Mark Hillard said that the back-up plan would be to continue the use of the 7th floor Endoscopy Suite and continue to run the Gastroenterology Lab there. It has also sometimes been used as overflow space in previous years.

Supervisor Stapley asked what would be done with any overflow patients if the 7th floor were no longer available. Mr. Hillard replied that recent changes had made it possible to keep any overflow in the existing Emergency Room Department during this past year. A widespread epidemic could possibly present problems in the future if there are an unexpectedly large number of inpatients but there is no foreseeable problem at this time.

Motion was made by Supervisor Wilcox, seconded by Supervisor Wilson, and unanimously carried (5-0) to approve an eight-year lease with Centerre Rehabilitation Hospital of Arizona, LLC for the 7th Floor of Maricopa Medical Center.

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CREATE MAJOR MAINTENANCE PROJECT AND CALL FOR BIDS AND AWARD – HOSPITAL 1ST AND 7TH FLOORS RENOVATIONS IN MARICOPA HEALTH SYSTEMS

Item: Create a Major Maintenance Project called “Hospital First and Seventh Floor Renovations” in Maricopa Health Systems (Dept. 900, Fund 535), adopt plans and specifications, authorize a call for bids, and award a construction contract to the lowest responsible bidder provided that the bid is not more than 10% over the architect's estimate for the Major Maintenance Project. The project consists of Improvements necessary for the renovation of the 1st and 7th floors of the Maricopa Medical Center to accommodate the relocation of the Endoscopy Department and the creation of an Acute Rehabilitation Unit. First Floor renovations (\$326,000) have been included in the Maricopa Health System budget. The 7th Floor renovations will be funded by the lease improvement reimbursements from the lease agreement with Centerre Rehabilitation Hospital of Arizona, LLC (Agenda C90040494). Approval of this action will authorize a FY 2003-2004 expenditure appropriation transfer of \$1.2 million from Appropriated Fund Balance (Dept 480) Detention Fund (255) General Contingency (4811) to Maricopa Health System (Dept 900) Fund 535. This action will result in a countywide net impact of zero. (Continued from meetings of November 19, and December 3 and 17, 2003.) (C90040505)

Questions were raised with regards to activating this renovation by issuing bids prior to approval of Centerre's application or tabling it until the four-month period is completed and their approval has been received. Mark Hillard responded that it could be tabled but his preference would be to modify it subject to Centerre's approval. He added that if bids were called for now it would speed things up when and if they do receive approval.

Motion was made by Supervisor Wilcox and seconded by Supervisor Stapley to approve a Major Maintenance Project called “Hospital First and Seventh Floor Renovations” in Maricopa Health Systems. The motion was amended and seconded to state that approval is subject to Centerre's receipt of their approved application. This amendment was withdrawn. The motion was amended and seconded a second time to state that approval is subject to Centerre's posting of their Letter of Credit within the four-month specified period. Any minor modifications that may arise would be brought back to the Board for approval. The motion, in its final amended form, carried unanimously (5-0).

AGREEMENT FOR PURCHASED ANCILLARY SERVICES WITH CENTERRE REHABILITATION HOSPITAL OF ARIZONA, LLC

Item: Approve an eight-year agreement for purchased ancillary services with Centerre Rehabilitation Hospital of Arizona, LLC for usage of the 7th Floor of Maricopa Medical Center. Payments to MIHS for these services are based on a case rate or usage of those services necessary to provide rehabilitation services to the patients of Maricopa Medical Center. Centerre Rehabilitation of Arizona will operate an inpatient rehabilitation hospital at the site and upon the subsequent approval of a call for bids, award of a construction contract, completion of building renovations, and approval of the proposed lease agreement. The effective date of this purchased service agreement will parallel the proposed lease agreement (C90040494) and have an estimated effective date of May 1, 2004, and will allow for an additional eight year renewal term. The projected gross revenue for this service agreement shall be \$4,071,240; of this amount \$250,000 will be forgiven, leaving a net revenue of \$3,821,240. Consistent with Agenda C90040505, the initial \$250,000 of Centerre charges for ancillary services will be forgiven. In FY 2003-2004, projected charges of \$84,818 will be forgiven against projected revenue of \$84,818, resulting in net revenue of zero. In FY 2004-2005, projected charges of \$165,182 will be forgiven against projected revenue of \$508,905, resulting in net revenue of \$343,722. No additional forgiveness of charges is

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included for ancillary services. (Continued from meeting of November 19, and December 3 and 17, 2003.) (C90040601)

Motion was made by Supervisor Wilcox, seconded by Supervisor Stapley, and unanimously carried (5-0) to approve the eight-year agreement for purchased ancillary services with Centerre Rehabilitation Hospital of Arizona, LLC, contingent upon the delivery of their Letter of Credit within the four-month period ending April 30, 2004.

Chairman Brock recognized Dr. Marko Canulla who was present in the audience.

AMENDMENT NO. 5 TO CONTRACT WITH MEDICAL PROFESSIONAL ASSOCIATES OF ARIZONA, P.C. (MedPro)

Motion was made by Supervisor Stapley, seconded by Supervisor Wilcox, and unanimously carried (5-0) to retroactively approve Amendment No. 5 to the contract with Medical Professional Associates of Arizona, P.C. (MedPro), effective July 1, 2003. Amendment No. 5 updates several compensation and regulatory provisions in the MedPro contract, as follows: (Continued from meeting of December 17, 2003.) (C9002059105)

- Updates compensation provisions relating to the MIHS Home Physician Program
- Updates language specific to the provision of Anesthesiology services
- Updates language specifying the establishment and reporting of a budget for academic affairs
- Updates language specifying reporting of hours by CHC/FHC Medical Directors
- Updates compensation provisions consistent with renegotiated rates with Value Options
- Removes language relative to the Family Practice Hospital Fellowship
- Removes language relative to the U of A Medical Student Clerkship Directors
- Adds language relative to the Toddler Car Seat Grant program
- Adds language specifying MedPro compliance with MIHS employee health standards
- Adds language reflecting changes in MIHS Ability to Pay Program (ATPP)
- Updates Attachment Z, FHC staffing
- Updates Attachment Compensation 4, by adding DOC and Chief of Med Staff Directorships
- Updates language concerning reconciliation of FHC sessions.

AMENDMENT NO. 6 TO CONTRACT WITH MEDICAL PROFESSIONAL ASSOCIATES OF ARIZONA, P.C. (MedPro) - CONTINUED

Item: Approve Amendment No. 6 to the contract with Medical Professional Associates of Arizona, P.C. (MedPro), effective January 1, 2004. Amendment No. 6 establishes calendar year 2004 compensation terms, and updates other language provisions. The amendment enacts the following changes: (Continued from meeting of December 17, 2003.) (C9002059106)

- Revises the MIHS-HP rate of payment to MedPro

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- Adds compensation to MIHS for services at the Comprehensive Healthcare Center (CHC)
- Revises MIHS compensation to MedPro for Trauma on-call services
- Clarifies the Reciprocal Right of First Refusal provision, specific to MIHS-HPs
- Revises the Reciprocal Right of First Refusal provision, specific to the MIHS healthcare delivery system
- Revises FHC reimbursement
- Updates teaching reimbursement
- Updates ER compensation
- Adds department directorships
- Adds compensation for Pathology staffing
- Adds compensation for IRB support
- Updates OB Anesthesia reimbursement
- Adds self pay patient reimbursement
- Updates Psychiatric compensation language
- Extend lease terms through December 31, 2004

Motion was made by Supervisor Stapley, seconded by Supervisor Wilcox, and unanimously carried (5-0) to continue this item to the January 7, 2004, meeting.

REGIONAL TRANSPORTATION PLAN

Discussion about the Legislative Proposal regarding the Regional Transportation Plan.

Clem Ligocki, MCDOT, Diane Sikokis and Rick Bohan, Government Relations Department, presented this discussion. Ms. Sikokis updated the Board on the status of the transportation issue saying there had been some recent movement in negotiations at the Legislature. (ADM2012-001)

Mr. Bohan reported on proposed changes discussed in a meeting held last week, saying that the same group will meet on December 23rd to report on responses from the governing body they represent. The issues covered firewalls, major amendments to the plan, accepting/rejecting audit findings, appointment of six business representatives to the TPC, CTOC (Citizens' Transportation Oversight Committee) and the election date. He indicated these have been major concerns in past negotiations.

Firewalls: No movement of funding between the three modes (freeways, transit and streets) or between geographic areas. Within the transit firewall there would be no shifting of RARF funding from the bus to light rail accounts.

Supervisor Stapley asked what happens to the money if the light rail system, for whatever reason fails to spend their allotted funds and if those funds could transfer to the bus transit account. Mr. Bohan said they could transfer, and under the definition of transit, funds could also transfer to cover HOV lanes, bus pullouts, park and rides, etc.

~ Supervisor Wilcox left the meeting ~

Major Amendment: A major amendment has been defined as follows:

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The addition or deletion of a major component of a freeway, state route or fixed guideway transit system (light rail).

Mr. Bohan presented a flow chart showing the major amendment process. It basically stated that a major amendment may not be presented to the TPC unless all three reviewers (RPTA, ADOT and BOS) agree to it. It may then be recommended by the TPC to MAG through a majority vote. If any of the three disagree, the TPC can only recommend the amendment to MAG through a three/quarter vote of members (17 votes). However, the MAG Regional Council would not be bound by either the reviewers or the TPC decisions. Mr. Bohan said that this independence from restraint thereby vested in MAG is the key to getting any movement as it is the "biggest bone of contention" for all involved.

Supervisor Stapley gave an overview of information gleaned from several conversations he'd had with legislators and mayors from around the Valley on the process for both major amendments and audits. He stated, "The intention of the authors of this file was to remove this process from the big tent of MAG and have independent eyes scrutinizing major amendments or the results of an audit. The compromise here is their agreement to the 17 'super majority' vote but it is still under the big tent of MAG." He said his conversations had convinced him that this is the best compromise the County can expect on this issue. "They (Mayors) do not want to give up the control they have any further than the 17 votes."

Mr. Bohan said minor changes to the transportation plan would be reviewed by the same three agencies (RPTA, ADOT and BOS) and any one of the three may recommend that the change is really a major amendment and it would then continue processing as a major amendment.

Audits: There will be an audit every five years and if a project is deemed to be "not warranted" by the auditor, the three agencies may vote to agree or disagree. If one of the three agrees with the audit, a 17-member vote of the TPC is necessary for a recommendation to the MAG Regional Council. If all three disagree with the audit finding a simple majority TPC vote could retain the project to send to the Council.

Discussion ensued on what the audits would and should cover, what similar audits have covered in the past and how best to maintain an audit's independence.

~ Supervisor Wilcox returned to the meeting ~
~ Mr. Smith entered the meeting ~

Business Reps.: A list of nominees will be compiled from MAG member agencies. Two or three candidates will be submitted by MAG to the Senate President and Speaker of the House for each vacancy. If none of the names are acceptable to the President and Speaker, MAG will be directed to submit another list.

Supervisor Stapley reminded the Board that the original plan had been for the President and Speaker to select six business leaders, thus keeping the control in the Legislature. He explained that the mayors, who make up the majority of MAG's TPC (with 13 mayors seated) want to retain control by submitting lists of their colleagues. Currently the TPC is made up of 13 mayors, six members from businesses representing trucking, contractors, sand and gravel, bankers, freight, the BOS, ADOT, CTOC and RPTA. The bill may name only two or three of the six businesses to leave that membership open to change throughout the coming 20 years. The three contemplated businesses are trucking, road contractors, and there is a possibility of public transit being included.

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CTOC: ADOT would retain the administration and the BOS would continue to make five of the seven member nominations.

Election date: May 18 would be acceptable to most parties and the election would be paid for from the sales tax extension monies.

In response to a question from Supervisor Stapley, Diane Sikokis said they would like the Board to take a position on different portions of the proposed transportation plan but probably not until the first part of January 2004.

MEETING RECESSED

The Board recessed and will reconvene at the plaza in front of the Board of Supervisors' Auditorium, 205 W. Jefferson at 11:30 a.m., for the Dedication of the Pillars of Honor

DEDICATION OF THE PILLARS OF HONOR.

Chairman Brock reconvened the meeting on the plaza outside the Board of Supervisors' Auditorium. All members were present.

The Chairman welcomed the audience to the dedication of the Pillars of Honor. He stated that this type of event is a special pleasure for the Supervisors because it is a time to honor the hard work and dedication of County Employees. The three stainless-steel pillars are located on the plaza in front of the County Court Complex and immediately adjacent to the Board's Auditorium as a focal point for visitors.

The Supervisors explained that each pillar represents a different group of honorees – *Service, Salute and Sacrifice*. The first pillar, *Service*, recognizes employees who retire with 30 or more years of service at the County. The second, *Salute*, honors those who have received national awards for some aspect of their work while at the County. The third, *Sacrifice*, is a special remembrance to honor those who lost their lives in the line of public service duty.

The pillars are constructed to reflect the Arizona sun during the day. At night, they are lit from within and the light projects through "points of light" which are scattered across the back two sides of each pillar.

Chairman Brock concluded by saying, "I have long supported a project to honor county workers, so I am especially proud that it was accomplished under my watch as Chairman of the Board of Supervisors in 2003. We appointed a team of county department managers and employees to plan, design, and then oversee the construction of this great monument. It serves as a fine tribute to these good folks for their co-workers and families to enjoy for generations – a striking monument to the great work that Maricopa County employees do, day in and day out."

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

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MEETING ADJOURNED

There being no further business to come before the Board, the meeting was adjourned.

ATTEST:

Fulton Brock, Chairman of the Board

Fran McCarroll, Clerk of the Board