

HARRIS HEALTH SYSTEM

HARRIS HEALTH SYSTEM

MINUTES OF THE BOARD OF MANAGERS MEETING

Thursday, April 28, 2016

Board Room – Administration Building

Members Present:

Mr. Elvin Franklin, Jr., Chair
Ms. Daisy Stiner, Vice Chair
Ms. Anne Clutterbuck, Secretary
Dr. Donald Butts
Ms. Carol Graebner
Dr. Kimberly Monday
Ms. Carolyn Truesdell

Members Absent:

Mr. Brandon Capetillo
Mr. Lawrence Finder

Others Present:

Mr. George Masi, President & Chief Executive Officer
Mr. Michael Norby, Executive Vice President & Chief Financial Officer
Dr. Parikshet Babber, Executive Vice President & Chief Medical Officer
Mr. Tim Tindle, Executive Vice President & Chief Information Officer
Dr. Ericka Brown, Executive Vice President & Administrator, Ben Taub Hospital
Dr. Michael Gardner, Executive Vice President & Administrator, Ambulatory Care Services
Mr. Alan Vierling, Interim Executive Vice President & Administrator, Lyndon B. Johnson Hospital
Dr. Jose Garcia, General Director, Affiliated Medical Services
Dr. Maya Suresh, Chair, Medical Executive Board
Dr. Carmel Dyer, Chief of Staff, Lyndon B. Johnson Hospital
Dr. Kenneth Mattox, Chief of Staff, Ben Taub Hospital
Dr. Mohammad Zare, Chief of Staff, Ambulatory Care Services
Ms. Mercedes Leal, Attorney, Harris County Attorney's Office
Mr. DeWight Dopslauf, Purchasing Agent, Harris County Purchasing
Ms. Peggy Boice, Harris County Judge Ed Emmett's Office (9:18 a.m. arrival)
Ms. Suzanne McPherson, Commissioner El Franco Lee's Office (9:15 a.m. arrival)
Ms. Carole Lamont, Commissioner Steve Radack's Office (9:18 a.m. arrival)
Mr. Paul Shanklin, Commissioner Jack Cagle's Office
Administrative Staff
Guests
(Sign-in Sheets attached to permanent record)

I. Call to Order and Record of Attendance

Mr. Elvin Franklin, Jr., Chair, called the meeting to order at 9:08 a.m., and noted that a quorum was present. The attendance was recorded.

II. Approval of the Minutes of Previous Meeting

Motion 16.04-31

Moved by Ms. Anne Clutterbuck, seconded by Dr. Kimberly Monday, and unanimously passed that the Board approve the minutes of the March 31, 2016 Board of Managers meeting.

III. Announcements / Special Presentations

- A. Special Recognition** – Mr. Elvin Franklin, Jr. recognized Mr. E. Dale Wortham for his years of service as a member of the Harris Health System Board of Managers. He presented Mr. Wortham with a resolution and a commemorative award on behalf of the Board and thanked Wortham for his contributions to the Board and to Harris Health. Mr. Franklin also expressed appreciation to Mr. Wortham for the donations that his union, the International Brotherhood of Electrical Workers, Local 716, contributed to the Harris County Hospital District Foundation during Mr. Wortham's tenure as a Board member. Mr. Wortham commended the Board members and the Harris Health staff for their hard work and advocacy on behalf of the underserved populations within the community.
- B. Special Recognition** – Mr. George Masi, President and Chief Executive Officer, Harris Health System, announced Harris Health System's inclusion in the *2015 Best 50 Healthcare Provider* for excellence in supply chain management by the Global HealthCare Exchange (GHX). He commended Mr. Douglas Creamer, Administrative Director of Materials, Supply Chain Management, and Mr. Christopher Okezie, Vice President of Operations, Lyndon B. Johnson Hospital (LBJH), for the support that their departments provide to the Harris Health employees who care for the patients. Mr. Masi stated that Harris Health spends \$113M in supplies on an annual basis. He explained that over the past year, the supply chain management team discovered \$5M in documented savings and that Harris Health was recognized for this achievement by GHX as one of the fifty (50) best healthcare providers in the United States and Canada in supply chain management.

IV. Hear from Citizens

No citizens were present to speak.

V. Consideration of Approval of Appointments to the 2016 Board of Managers' Standing and Special Committees

Motion 16.04-32

Moved by Ms. Daisy Stiner, seconded by Ms. Carolyn Truesdell, and unanimously passed that the Board approve the following changes to the Board of Managers' Standing and Special Committees:

STANDING COMMITTEES:

Joint Conference Committee
Ms. Carol Graebner, Chair

Dr. Kimberly Monday, Member
Ms. Carolyn Truesdell, Member

Performance Improvement & Patient Safety Committee

Dr. Kimberly Monday, Chair
Dr. Donald Butts, Member
Ms. Carol Graebner, Member

Information Technology Committee

Ms. Carolyn Truesdell, Chair
Dr. Donald Butts, Member
Ms. Daisy Stiner, Member

Budget and Finance Committee

Ms. Anne Clutterbuck, Chair
Mr. Lawrence Finder, Member
Ms. Daisy Stiner, Member

Planning and Operations Committee

Mr. Lawrence Finder, Chair
Ms. Anne Clutterbuck, Member
Ms. Carolyn Truesdell, Member

Audit Committee

Ms. Daisy Stiner, Chair
Ms. Carol Graebner, Member

Corporate Compliance

Ms. Carolyn Truesdell, Chair
Mr. Lawrence Finder, Member
Ms. Carol Graebner, Member

SPECIAL COMMITTEES:

Ad Hoc – 1115 Waiver Committee

Dr. Kimberly Monday, Chair
Dr. Donald Butts, Member
Ms. Carolyn Truesdell, Member

Ad Hoc – CEO Evaluation Committee

Ms. Daisy Stiner, Chair
Ms. Anne Clutterbuck, Member
Mr. Lawrence Finder, Member

Bylaws Review Committee

Mr. Lawrence Finder, Chair
Ms. Carol Graebner, Member

Legislative Committee

Dr. Donald Butts, Chair
Ms. Anne Clutterbuck, Member
Mr. Lawrence Finder, Member

Strategic Planning Committee

Ms. Daisy Stiner, Chair
Ms. Anne Clutterbuck, Member
Mr. Elvin Franklin, Jr., Member
Dr. Kimberly Monday, Member

Post-Retirement Benefits Committee

Mr. Elvin Franklin, Jr., Acting Chair
Ms. Daisy Stiner, Member
Ms. Carolyn Truesdell, Member

A complete list of the members of the committees is attached to these minutes. Refer to Appendix A.

Mr. Franklin announced the appointment of Ms. Carol Graebner to the Harris Health System Board of Managers. Ms. Graebner presented an overview of her background and work history and she expressed her admiration of the Board members' dedication and long-term commitment to Harris Health.

VI. Consideration of Approval of Recommendations and Acceptance of Consent Agenda Items

Motion 16.04-33

Moved by Ms. Carolyn Truesdell, seconded by Ms. Anne Clutterbuck, and passed that the Board approve agenda items VI.A(1)a. through VI.A.(1)e. and VI.A(1)g. through VI.A(1)q. and VI.A(1)s. through V.A(1)l. Ms. Daisy Stiner recused herself from purchasing item A(1)j).

A. Items Related to Purchasing

A(1). Consideration of Purchasing Recommendations Requiring Board Approval

- a. approve purchase on the basis of best contract for Belimed Inc. [PP-MM-320] to provide washers and decontaminators in the amount of \$1,226,157.
- b. approve purchase on the basis of lowest priced contract for Carestream Health Inc. [PP-IM-299] to provide general radiography and fluoroscopy (overhead X-ray) equipment in the amount of \$301,829.
- c. approve purchase on the basis of product standardization for CareFusion 303, Inc. [PP-IV-110] to provide IV therapy – infusion devices and device-dedicated sets in the amount of \$275,268.
- d. approve purchase on the basis of best contract for Philips Healthcare [PP-AC-084] to provide non-invasive ventilators in the amount of \$221,055.
- e. approve the third and final renewal option for Smith Seckman Reid, Inc. to provide engineering services in the estimated amount of \$200,000 for the term May 24, 2016 through May 23, 2017.

f. **PULLED**

- approve purchase on the basis of sole source for GE Healthcare [PP-CA-261] to provide a MARS Holter ECG system upgrade in the amount of \$156,617.
- g. approve purchase on the basis of product standardization for Carestream Health, Inc. [PP-IM-299] to provide general radiography and fluoroscopy (portable X-ray) equipment in the amount of \$134,354.
- h. ratify the second of four (4) renewal options for FujiFilm Medical Systems, USA, Inc. to provide service and maintenance for computed radiography equipment in the estimated amount of \$195,300 for the term March 1, 2016 through February 29, 2017.
- i. approve award on the basis of best bid for Olympus America Inc. to provide scope reproprocessors in the estimated amount of \$110,397.
- j. ratify the renewal option for Community Health Choice, Inc. to provide third-party administration of healthcare claims from non-affiliated providers in the estimated amount of \$70,000 for the term March 1, 2016 through February 28, 2017.
- k. ratify renewal for Harris County Hospital District d/b/a Harris Health System to provide meals for patients at the Neuro-Psychiatric Center at Ben Taub Hospital in the space leased to The Harris Center for Mental Health and IDD in the estimated revenue amount of \$177,024 for the term March 1, 2016 through February 28, 2017.
- l. ratify purchase on the basis of best contracts for Olympus America, Inc. [PP-OR-1261] (\$34,375 – Items 195-217) and Boston Scientific Corporation [PP-OR-1260] (\$995,452 – Items 1-187) to provide gastrointestinal endoscopy products in the estimated multi-vendor amount of \$1,029,827 for the term February 1, 2016 through January 31, 2017.
- m. ratify the second of four (4) renewal options for Ricoh USA, Inc. [DIR-TSO-3041] to provide photocopier/scanner lease and services in the estimated amount of \$520,329 for the term March 1, 2016 through February 28, 2017.
- n. ratify purchase on the basis of single-source contract for Medtronic USA Inc. [PP-CA-234] to provide diagnostic and interventional radiology balloons in the estimated amount of \$141,000 for the term February 1, 2016 through January 31, 2017.
- o. ratify purchase on the basis of single-source contract for CareFusion 2200, Inc. [PP-NS-924] through Cardinal Health to provide bedside procedure trays and needles in the estimated amount of \$119,604 for the term February 1, 2016 through January 31, 2017.

- p. approve third-year funding for the GPO contract for Welch Allyn Inc. [PP-NS-820] through Cardinal Health to provide electronic thermometry in the estimated amount of \$101,316 for the term June 1, 2016 through May 31, 2017.
- q. ratify an exemption from the competitive bid requirements for The University of Texas Health Science Center at Houston to provide oral and maxillofacial surgery outpatient services in the estimated amount of \$3,162,682 for the term April 1, 2016 through March 31, 2017.

The estimated amount on the Purchasing letter for A(1)q was **REVISED** from \$3,117,161 to \$3,162,682.

- r. **PULLED**
approve the fourth and final renewal option for Ascend Clinical, LLC to provide laboratory testing services in the estimated amount of \$200,000 for the term May 1, 2016 through April 30, 2017.
- s. ratify an exemption from the competitive bid requirements and the fifth and final renewal option for Baylor College of Medicine to provide physician services for the school-based teen clinic program in Precinct 1 in the estimated amount of \$150,000 for the term April 5, 2016 through April 4, 2017.
- t. ratify an exemption from the competitive bid requirements and the fifth and final renewal option for Baylor College of Medicine to provide physician services for the school-based teen clinic program in Precinct 2 in the estimated amount of \$150,000 for the term April 16, 2016 through April 15, 2017.
- u. approve an exemption from the competitive bid requirements and renewal for Baylor College of Medicine to provide physician services for the school-based teen clinic program in Precinct 3 in the estimated amount of \$150,000 for the term July 1, 2016 through June 30, 2017.
- v. ratify purchase on the basis of single-source contract for PharMEDium Services, LLC [PPPH18PMD01] to provide outsourced pharmacy compounding and admixture services in the estimated amount of \$2,100,000 for the term April 1, 2016 through December 31, 2016 with two (2) one-year renewal options.
- w. approve purchase for Sanofi Pasteur - Fluzone [VG-1995] (\$247,395) and Novartis Vaccines – Fluvirin [VG-1855] (\$342,272) to provide influenza vaccine for outpatients for the 2015-2016 season in the estimated multi-vendor amount of \$589,667.
- x. approve purchase for MedImmune - Flumist [PPPH13IMU01] (\$237); Protein Sciences – Flublok [PPPW13FFF01] (\$328); Sanofi Pasteur - Fluzone [PPPH15CNT01] (\$9,294); and Novartis Vaccines – Fluvirin [PPPH13CHI02] (\$198,364) to provide influenza vaccine for the 2015-2016 season in the estimated multi-vendor amount of \$208,223.

- y. approve the fourth and final renewal option for Lexington Insurance Co. as lead underwriter with remaining program shared with XL/Catlin, Chubb/ACE, Berkshire Hathaway, RSUI, Swiss RE, Liberty, Lloyds London, and Starr Specialty, through John L. Wortham & Son, L.P., to provide all risk property insurance and boiler and machinery coverage in the estimated multi-vendor amount of \$1,788,922 for the term May 1, 2016 through May 1, 2017.
- z. ratify additional (non-budgeted) funds for Mobile Concepts, Inc. d/b/a U.S. Mobile Kitchens to provide mobile kitchen units in the additional amount of \$277,305 for the term January 30, 2016 through July 31, 2016 (Board previously approved funds in the amount of \$161,950 for the term October 30, 2015 through January 29, 2016).

The amount on the Purchasing letter for A(1)z was **REVISED** from \$184,870 to \$277,305 and the term dates were revised from January 30, 2016 – May 29, 2016 to January 30, 2016 – July 31, 2016.

- aa. ratify the second of four (4) renewal options for AMN Healthcare, Inc.; Cross Country Staffing; Favorite Healthcare Staffing, Inc.; and SHC Services, Inc. d/b/a Supplemental Health Care to provide travel nursing temporary personnel in the estimated multi-vendor amount of \$5,000,000 for the term April 21, 2016 through April 20, 2017.
- bb. ratify additional (budgeted) funds and an extension for Siemens Healthcare Diagnostics, Inc. [PP-LA-335] to provide chemistry and immunochemistry analyzers/integrated platform – automation, reagents, consumables, and service (CENTAUR) in the additional (budgeted) amount of \$1,793,956 for the term April 1, 2016 through March 31, 2017 (Board previously approved funds in the amount of \$5,655,094 for the term September 13, 2012 through March 31, 2016).
- cc. approve the second of four (4) renewal options for The University of Texas Health Science Center at Houston to provide anatomical pathology reference testing and services in the estimated amount of \$346,906 for the term July 1, 2016 through June 30, 2017.
- dd. ratify the revised term and second of four (4) renewal options for Trinity Biotech, Inc. to provide a hemoglobin A1c testing system, including analyzer(s), reagents, consumables, and service, in the estimated amount of \$131,489 for the revised term April 18, 2016 through April 17, 2017; February 25, 2015 through April 17, 2016 (as approved).
- ee. ratify the third of four (4) renewal options for Astadia, Inc. f/k/a Idea Integration Corp. (Categories 3,4,5 and 7); Computer Task Group, Inc. (CTG) (Categories 1,2 and 6); Elite Computer Consultants, L.P. d/b/a ECOM (Category 2); Encore Health Resources (Categories 1 and 6); General Datatech, L.P. (Category 3); and Protiviti, Inc. (Category 7) to provide information technology consulting/contracting in the estimated multi-vendor amount of \$3,902,111 for the term March 1, 2016 through February 28, 2017.

- ff. approve purchase on the basis of sole source for Epic Systems Corporation to provide implementation and support services for the Epic Inpatient Modernization Program in the estimated amount of \$1,193,700 for the term July 8, 2016 through July 7, 2017.
- gg. ratify purchase on the basis of low quote for General DataTech, L.P. [DIR-TSO-2543] to provide maintenance and support for Cisco equipment in the estimated amount of \$1,039,010 for the term April 1, 2016 through March 31, 2017.
- hh. approve the second of four (4) renewal options for Fibertown Houston, LLC to provide data center co-location services in the estimated amount of \$244,896 for the term May 15, 2016 through May 14, 2017.
- ii. approve renewal on the basis of sole source for Nuance Communications, Inc. to provide software, license, maintenance, and support for a speech (voice) recognition system in the estimated amount of \$137,889 for the term May 19, 2016 through May 18, 2017.
- jj. approve purchase on the basis of sole source for National Comprehensive Cancer Network, Inc. to provide evidence-based cancer guidelines in the amount of \$115,000 for a two-year initial term with one-year renewal options.
- kk. approve purchase on the basis of sole source for Microsoft Corporation [DIR-SDD-1927] to provide Microsoft Premier support services in the estimated amount of \$169,344 for the term May 28, 2016 through May 27, 2017 with four (4) one-year renewal options.
- ll. approve the first of four (4) renewal options for TH Healthcare, Ltd. d/b/a Park Plaza Hospital to provide wide-bore MRI and other radiology services in the estimated amount of \$180,000 for the term May 4, 2016 through May 3, 2017.

A(2). Transmittals of Completed Items **[For Informational Purposes]**

- a. transmittal of purchase on the basis of sole source for Medtronic ST to provide service and support for surgical and ENT navigation systems in the estimated amount of \$91,020 for the term May 20, 2016 through May 19, 2017 with two (2) one-year renewal options.
- b. transmittal of purchase on the basis of lowest-priced contract for Steelcase, Inc. through HBI Office Solutions, Inc. [TXMAS 7-7110140] to provide patient bedroom furniture for semi-private room configuration in the amount of \$59,940.
- c. transmittal of renewal for Joann Marruffo, DDS to provide maxillofacial prosthodontic services for patients in the estimated amount of \$75,000 for the term March 31, 2016 through March 30, 2017.
- d. transmittal of second-year funding for the GPO contracts for Covidien Sales, LLC [PP-WC-144] (\$22,876) and Medela, Incorporated [PP-WC-146] (\$75,864)

(all through Cardinal Health) to provide neonatal specialty products in the estimated multi-vendor amount of \$98,740 for the term November 1, 2015 through October 31, 2016.

- e. transmittal of second-year funding for the GPO contract for Medline Industries Inc. [PP-OR-1184] through Cardinal Health to provide topical skin adhesives in the estimated amount of \$87,210 for the term April 1, 2016 through March 31, 2017.
- f. transmittal of the first of two (2) renewal options on the basis of sole source for Q-Matic Corporation to provide Q-Matic software support and maintenance in the estimated amount of \$63,761 for the term March 1, 2016 through February 28, 2017.
- g. transmittal of exemption from the competitive bid requirements for Southeast Reimbursement Group, LLC to provide a Medicare/Medicaid cost report in the estimated amount of \$55,900 for a one-year initial term with one-year renewal options.
- h. transmittal of correction of assignment for the Agreement for VHA-UHC Data NewCo., LLC f/k/a University HealthSystem Consortium (assignor) and Vizient Data Services, LLC (assignee) (corrected) ; VHA-UHC Alliance NewCo., Inc. f/k/a University HealthSystem Consortium (assignor) and Vizient, Inc. (assignee) (as approved) to provide a benchmarking project for the term January 1, 2016 through December 31, 2016.
- i. transmittal of purchase on the basis of only quote for Solid Border, Inc. [DIR-SDD-1855] to provide Rapid7 vulnerability management software maintenance in the estimated amount of \$54,786 for the term February 29, 2016 through February 28, 2017.
- j. transmittal of additional (budgeted) funds and an extension for Midwest Employers Casualty Company through Alamo Insurance Group, Division of Brown & Brown Insurance Services of San Antonio, Inc., to provide excess workers' compensation and employer's liability insurance in the additional (budgeted) amount of \$85,976 for the extended term March 31, 2016 through July 1, 2016 (Board previously approved funds in the amount of \$341,100 for the term March 31, 2015 through March 31, 2016).
- k. transmittal of purchase on the basis of only quote received for Creative Office Furniture, Inc. [TXMAS Contracts 7-7110170 & 3-7111010] to provide office furniture for the Ben Taub Hospital operating room in the amount of \$72,239.
- l. transmittal of a revised term for Becton Dickinson & Company, through BD Diagnostics – Diagnostics Systems, to provide integrated platform for microbiology automation, blood culture, identification, and susceptibility, including analyzer(s), reagents, consumables, and services, for the revised term December 5, 2015 through December 4, 2016; March 13, 2015 through March 12, 2016 (as approved).

- m. transmittal of purchase on the basis of low quote for TSA, Inc. [DIR-TSO-2538] to provide Hewlett-Packard servers in the amount of \$91,852.
- n. transmittal of purchase on the basis of low quote for NWN Corporation [DIR-TSO-2538] to provide Hewlett-Packard servers and storage in the amount of \$51,864.
- o. transmittal on the basis of sole source for Virtual Hold Technology, LLC to provide call center virtual hold queuing system software license, maintenance, and support in the estimated amount of \$64,949 for the term December 23, 2015 through December 22, 2016.
- p. transmittal of purchase on the basis of low quote for DLT Solutions [GS-35F-4543G] to provide Oracle/PeopleSoft application management suite software in the amount of \$55,466.
- q. transmittal of purchase on the basis of sole source for Spok, Inc. f/k/a Amcom Software to provide paging system and single sign-on software in the estimated amount of \$99,960 for the term May 1, 2016 through April 30, 2017.

B. Recommended Committee Approvals

Motion 16.04-34

Moved by Ms. Carolyn Truesdell, seconded by Ms. Anne Clutterbuck, and passed that the Board approve agenda items VI.B.1. and VI.B.3. through VI.B.15. Mr. Elvin Franklin, Jr. recused himself from agenda items VI.B.8., VI.B.9., and VI.B.11.

1. Acceptance of the Harris County Public Health and Environmental Services 2015 Site Visit Financial Review.

2. **PULLED**

Consideration of Approval of a Resolution to Approve Proceedings to Issue and Sell Harris County Hospital District Certificates of Obligation, Series 2016.

Agenda item VI.B.2. was **PULLED** from the consent agenda, Recommended Committee Approvals, and deferred to be considered with agenda item VII.B.1.b.

3. Approval of an Engagement Letter Between Harris County Hospital District d/b/a Harris Health System and BKD, LLP.
4. Approval to Allocate Additional Funds to the Agreement Between Harris Health System and Jackson Walker, L.L.P. for the Term July 1, 2015 to June 30, 2016.

Ms. Mercedes Leal, Attorney, Harris County Attorney's Office, stated that the hourly rates for Jackson Walker, L.L.P. were modified from \$280-\$395 per hour to \$250-\$495 per hour and that the transmittal letter for agenda item VI.B.4. will be **REVISED** to reflect the updated rates. Refer to Appendix B.

5. Approval of the 3rd Year of the Lease Agreement with Warehouse Associates Corporate Centre Kirby Phase II, Ltd. for Approximately 17,044 Square Feet of Space Located at 9230 Kirby Drive, Houston, Texas 77054 for the Pharmacy Central Fill.
 6. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and Texas State University (Doctor of Physical Therapy Program).
 7. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and University of North Texas Health Science Center School of Health Professionals (Doctor of Physical Therapy Program).
 8. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and Lone Star College System - CyFair (Associate of Applied Science in Emergency Medical Services Program).
 9. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and Lone Star College System - CyFair (Emergency Medical Services Certification Program).
 10. Approval of Grant Funding in the Amount of \$88,153 and Ratification of the Salary Reimbursement Agreement Between Harris County Hospital District d/b/a Harris Health System and The University of Texas MD Anderson Cancer Center.
 11. Approval of a Grant Agreement in the Amount of \$72,000 from the Harris County Hospital District Foundation Awarded to Harris County Hospital District d/b/a Harris Health System for the 2016 Pink Ribbons Project.
 12. Approval of a Data Use Agreement Between Harris County Hospital District d/b/a Harris Health System and the Harris County Department of Public Health and Environmental Services.
 13. Acceptance of the Harris County Auditor's Harris Health System Central Fill – Post Implementation Auditor's Report.
 14. Acceptance of the Harris County Auditor's Harris Health System Information Technology Equipment Controls Follow-Up Auditor's Report.
 15. Acceptance of the Harris County Auditor's Harris Health System Operating Rooms Orthopedic Implants and other Special Patient Device Controls Auditor's Report.
- {End of Consent Agenda}*

VII. Board Review and Action Items

A. Action Item Related to the Planning & Operations Committee

Motion 16.04-35

Moved by Ms. Daisy Stiner, seconded by Ms. Anne Clutterbuck, and unanimously passed that the Board approve agenda item VII.A.1.; approval of Ben Taub Hospital Perioperative Renovation Model 1 (One).

1. Approval for the Design and Scope of the Ben Taub Hospital Operation Room Expansion and Specialty Clinic Relocation Projects at an Amount Not to Exceed \$70M.

Mr. Michael Norby, Executive Vice President and Chief Financial Officer, presented the consideration of approval for the design and scope of the Ben Taub Hospital (BTH) operating room (OR) expansion and specialty clinic relocation projects. He stated that Harris Health recommends the adoption of Model 1 for the BTH perioperative renovation, which will result in a total of twelve (12) fully operational ORs. Mr. Norby explained that Model 1 will grant BTH the flexibility to maintain its existing patient volume and then increase its patient volume when additional funding becomes available in the future. He reported that the estimated cost to complete the proposed renovation is \$69,857,311.

Ms. Anne Clutterbuck noted that this expansion will allow BTH to retain its Level I Trauma Center designation and to accommodate its patients in a state-of-the-art medical environment which is in alignment with current medical guidelines. She stated that while the Board's preference would be that the renovation result in the utilization of eighteen (18) operational ORs, the Board understands that Harris Health has limited resources at this time. Mr. Masi clarified that eighteen (18) ORs will be constructed and equipped but that only twelve (12) ORs will be fully operated due to limited bed space and the budgetary constraints regarding costs associated with staffing and patient throughput. Dr. Kimberly Monday expressed concern that Harris Health is addressing its problems in an incremental manner and she emphasized the importance of collaboration among the Board, Harris Health, and Harris Health's community partners to discover comprehensive strategic solutions.

B. Action Items Related to the Budget & Finance Committee

Motion 16.04-36

Moved by Ms. Anne Clutterbuck, seconded by Dr. Kimberly Monday, and unanimously passed that the Board approve agenda item VII.B.1.a.

- 1.a. Approval of a Resolution to Approve Proceedings to Issue and Sell Harris County Hospital District Certificates of Obligation, Series 2016.

Mr. Norby presented the resolution to approve proceedings to issue and sell Harris County Hospital District Certificates of Obligation, Series 2016. Ms. Carolyn Truesdell explained that agenda item VI.B.2. was pulled from the consent agenda and combined with this agenda item because the bond counsel engagement letter and the disclosure counsel engagement letter, which were referred to in the resolution, are attached to agenda item VII.B.1.b. Therefore, she recommended that both resolutions be submitted for consideration by the Board simultaneously. Discussion ensued.

Motion 16.04-37

Moved by Ms. Daisy Stiner, seconded by Ms. Carolyn Truesdell, and passed that the Board approve agenda item VII.B.1.b.; six (6) in favor; one (1) abstained; two (2) absent.

- 1.b. Approval of a Resolution to Reimburse Harris County Hospital District from Issuer Funds for the Ben Taub Hospital Trauma Center Project.

Mr. Michael Norby, Executive Vice President and Chief Financial Officer, presented the resolution to reimburse Harris County Hospital District from issuer funds for the Ben Taub Hospital Trauma Center project. He reported that Harris Health's debt service over a 20-year term is projected to total slightly less than \$5M per year.

Mr. Norby stated that the Harris County Commissioners Court and the Harris County Budget Management Department committed to add a separate debt service tax rate of .13 cents to Harris Health's current tax rate of 17 cents in support of the BTH trauma center renovations. Discussion ensued.

Motion 16.04-38

Moved by Ms. Carolyn Truesdell, seconded by Ms. Anne Clutterbuck, and unanimously passed that the Board approve agenda item VII.B.2.

2. Approval of Additional Funds (Budgeted) and an Extension for Ascend Clinical, LLC to Provide Laboratory Testing Services for the Harris County Hospital District (d/b/a Harris Health System) Riverside Dialysis Clinic in the Estimated Additional (Budgeted) Amount of \$50,000 for the Extended Term May 1, 2016 Through July 31, 2016 (Board Previously Approved Funds in the Amount of \$200,000 for the Term May 1, 2015 Through April 30, 2016).

Mr. DeWight Dopslauf, Purchasing Agent, Harris County Purchasing, presented the purchasing item regarding additional budgeted funds and an extension for Ascend Clinical, LLC to provide laboratory testing services for Riverside Dialysis Clinic (Riverside). Dr. Michael Gardner, Executive Vice President and Administrator, Ambulatory Care Services (ACS), explained that after July 31, 2016, a majority of the lab work for Riverside will no longer need to be outsourced and will be processed electronically at BTH, which will result in a significant cost savings for Harris Health.

VIII. Strategic Discussion Issues

A. Harris Health System Legislative Initiatives

1. Update, Discussion and Possible Action Regarding Activities in Austin Relating to Legislative/Regulatory Issues Impacting Harris Health System, the 85th Legislative Session, and the Harris Health System Legislative Platform.

Mr. R. King Hiller, Vice President, Public Policy and Government Relations, led the discussion regarding activities in Austin relating to legislative / regulatory issues impacting Harris Health System. He reported that Dr. Ericka Brown, Executive Vice President and Administrator, BTH, and Dr. Kenneth Mattox, Chief of Staff, BTH, hosted a tour of BTH for senior staff members from Governor Greg Abbot's office and other elected officials on April 26, 2016. Mr. Hillier stated that

the elected officials, Drs. Brown and Mattox, and Mr. Masi participated in discussions regarding BTH's Level I Trauma Center certification, dialysis issues, and the 1115 Waiver. Based on the Centers for Medicare and Medicaid Services' renewal of the 1115 Waiver in California, Mr. Hillier forecasted that the Delivery System Reform Incentive Payment program will continue for all participating states through 2020. He stated that Texas Medicaid expansion is suspended pending the results of the upcoming presidential election in November 2016. Mr. Hillier reported that several states are examining how to address the increasing numbers of dialysis patients across the United States. He explained that undocumented dialysis patients present particular concerns because they tend to undergo dialysis less frequently and therefore require a greater degree of care when they are admitted to the hospitals. Mr. Hillier stated that Texas is attempting to add chronic hemodialysis as a covered service under the Texas Emergency Medicaid Type Program 30, which would be a cost-saving initiative for the state Medicaid program. He announced that the Senate Select Committee on Property Tax Reform and Relief scheduled a hearing for May 10, 2016 at the University of Houston Student Center. Ms. Daisy Stiner stated that the Board welcomes the opportunity to assist Mr. Hillier and Ms. Mary Schneider, Harris Health Liaison for Intergovernmental Affairs, in their efforts to gain an employee opt-out provision for Harris Health's deferred compensation plans rather than the current opt-in provision.

2. Update, Discussion and Possible Action Regarding Pending Federal Legislative and Policy Issues Affecting Harris Health System.

Mr. Hiller led the discussion regarding pending federal legislative and policy issues affecting Harris Health System. He stated that Harris Health hosted a regional 340B Health Summit from March 31, 2016 to April 1, 2016, with over thirty (30) participants representing several hospital systems across Southeast and Central Texas. Mr. Hillier reported that the focus of the summit was the Health Resources and Service Administration's proposed Mega Rule regarding the 340B Drug Pricing Program. He highlighted that he will present Harris Health's legislative platform for 2017 in October 2016.

Mr. Elvin Franklin, Jr. requested a brief recess at 10:25 a.m.

Mr. Franklin reconvened the Board meeting at 10:35 a.m.

B. Compliance Education – CMS Conditions of Participation Part IV: Patients' Rights [Board Education]

Mr. Terry Reeves, Senior Vice President, Corporate Compliance, delivered the presentation regarding the Centers for Medicare and Medicaid Services (CMS) conditions of participation regarding patients' rights. He stated that according to the CMS conditions of participation, a hospital must inform each patient or the patient's representative of the patient's rights before administering or discontinuing care. Mr. Reeves explained that a prompt grievance resolution process must be established and that a hospital's governing body is responsible for the approval and effective

operation of the grievance process. He reported that according to the CMS conditions of participation, a patient has the following rights: 1) the right to make informed decisions regarding his or her care; 2) the right to formulate advanced directives and have hospital staff comply with these directives; 3) the right to have a representative of his or her choice and his or her physician notified promptly of hospital admissions; 4) the right to personal privacy; 5) the right to receive care in a safe setting; 6) the right to be free from abuse or harassment; and 7) the right to be free from the imposition of restraint or seclusion as a means of coercion, discipline, convenience, or retaliation by staff. Mr. Reeves also stated that a hospital must have written policies and procedures regarding patients' visitation rights. Finally, he informed the Board that in addition to the CMS requirements, the State of Texas also mandates that patients have rights regarding considerate and respectful care, pain management, and notification of human research that may affect their care. Dr. Donald Butts inquired whether a protocol exists to approach patients about advanced directives when they present for routine healthcare in the outpatient clinics. Mr. Reeves responded that he will investigate whether a specific procedure exists for the outpatient clinics and report his findings to the Board. A copy of the presentation is available in the permanent record.

IX. Key Performance Reports

A. Key Performance Indicators

1. Review and Discussion Regarding the Harris Health System Balanced Scorecard

Mr. Alan Vierling, Interim Executive Vice President and Administrator, LBJH, presented the Harris Health System Balanced Scorecard. He stated that Harris Health experienced a significant amount of turnover in nursing in Fiscal Year 2016, which contributed to the organization's overall turnover rate of 19%. Mr. Vierling explained that nursing turnover rates also resulted in lower patient satisfaction scores regarding communication with nurses. A copy of the scorecard is available in the permanent record.

B. Committee Reports

1. Joint Conference Committee

Motion 16.04-39

Moved by Ms. Daisy Stiner, seconded by Ms. Carolyn Truesdell, and unanimously passed that the Board approve agenda item IX.B.1.a.

a. Acceptance of the Medical Executive Board Report for April 2016.

Dr. Maya Suresh, Chairman, Medical Executive Board, presented the April 2016 Medical Executive Board Report. She reported that Dr. Gardner and Dr. Mohammad Zare, Chief of Staff, ACS, developed guidelines to reduce waitlist times for ACS' oral surgery patients. Dr. Suresh mentioned that data regarding the impact of these new guidelines will be examined over a six-month period and that this information will be reported to the Board. She stated that Ms. Vivian Ho-Nguyen, Director of Accreditation and Regulatory Affairs, led a discussion regarding

the need for physicians to improve informed consent compliance rates. Ms. Stiner inquired regarding the impact that Vice President Joseph Biden's National Cancer Moonshot Initiative will have on cancer research and development at Harris Health. Dr. Suresh responded that she will investigate this matter and report her findings to the Board. A copy of the report is available in the permanent record.

Motion 16.04-40

Moved by Mr. Elvin Franklin, Jr., seconded by Ms. Daisy Stiner, and unanimously passed that the Board approve agenda item IX.A.1.b.

- b. Approval Regarding the Credentialing Changes for Members of the Harris Health System Medical Staff (April 2016).

Dr. Suresh presented the April 2016 credentialing changes for the members of the Harris Health System medical staff. She reported that there were thirteen (13) initial applications, sixty (60) reappointments, sixteen (16) resignations, and seven (7) change/add privileges. Dr. Suresh stated that an honorary staff designation was requested for a physician but that the designation permits teaching privileges only with no patient care or Epic System access. A copy of the report is available in the permanent record.

2. Performance Improvement and Patient Safety Committee

- a. Review and Discussion Regarding Harris Health System Quality Executive Summary and Scorecard.

Dr. Parikshet Babber, Executive Vice President and Chief Medical Officer, presented the Harris Health System Quality Executive Summary and Scorecard. He reported that system-level quality indicators for blood utilization, core measures, readmissions, and patient falls met or measured within 5% of the benchmark for February 2016. Dr. Babber stated that additional time will be required to determine the impact of the corrective measures that were implemented to address diabetes care management and colorectal screening fallouts. Ms. Stiner inquired whether corrective actions are in development for long-standing issues such as eye exams and foot exams for diabetic patients and hospital cleanliness. Dr. Gardner responded that corrective action plans were implemented regarding eye exams and foot exams and that both metrics have improved. Dr. Brown stated that the level of cleanliness at BTH is challenged due to high Environmental Services staff turnover rates and the continued utilization of four-person patient rooms until the completion of the semi-private room conversion. A copy of the report is available in the permanent record.

3. Budget and Finance Committee

Motion 16.04-41

Moved by Ms. Carolyn Truesdell, seconded by Dr. Kimberly Monday, and unanimously passed that the Board approve agenda items IX.B.3.a. and IX.B.3.b.

- a. Acceptance of the Harris Health System March 2016 Financial Report Subject to

Audit.

Mr. Michael Norby, Executive Vice President and Chief Financial Officer, presented the Harris Health System March 2016 Financial Report. He reported that adjusted patient days were on budget and that there were no significant variances in revenues or expenses for March 2016. Mr. Norby stated that the operating loss for the month was \$3.3M, which was favorable in comparison to a budgeted loss of \$5.6M. A copy of the report is available in the permanent record.

- b. Acceptance of the Harris Health System First Quarter CY2016 Pension Plan Report [**Board Deliverable**].

Mr. Norby presented the Harris Health System First Quarter CY2016 Pension Plan Report. He reported that the asset value of the pension plan was \$567M and that it was 70% funded as of March 31, 2016. A copy of the report is available in the permanent record.

- c. Review and Discussion Regarding the Health Insurance Marketplace and MY Harris Health Self-Pay Program Registration.

Mr. Michael Hill, Senior Vice President of Revenue Cycle, led the discussion regarding the Health Insurance Marketplace (Marketplace) and the MY Harris Health Self-Pay Program registration. He reported that a total of 7,200 Harris Health patients were enrolled in the Marketplace as of April 22, 2016. Mr. Hill noted that since the Marketplace open enrollment period ended January 31, 2016, the enrollment activity is expected to remain constant. He stated that since patients can register for the MY Harris Health program at any time, the enrollment totals for MY Harris Health will change monthly. Mr. Hill reported that a total of 1,400 patients were enrolled in MY Harris Health as of April 22, 2016. He stated that reminders will be mailed to those patients who are eligible for MY Harris Health but who have not yet registered for the program. Ms. Stiner requested that the Board receive a year-end analysis of the patient transition process from Harris Health's subsidized patient care program to the Marketplace or MY Harris Health. Additionally, Mr. Elvin Franklin, Jr. requested that the Board receive a report presenting the operating costs of the MY Harris Health program and the premiums collected for the patients participating in MY Harris Health. A copy of the report is available in the permanent record.

- d. Presentation of the March 2016 Financial Statements of Community Health Choice, Inc.

Mr. Kenneth Janda, President and Chief Executive Officer, Community Health Choice, Inc. (CHC, Inc.), presented the March 2016 financial statements for CHC, Inc. He stated that CHC, Inc. enrolled approximately 100,000 members in the Marketplace through March 2016. Mr. Janda reported that CHC, Inc.'s net income was \$1.2M greater than budget for the month. He announced that some incidences of the Zika virus were identified among CHC, Inc.'s patient population. Mr. Janda explained that CHC, Inc. will closely monitor those expectant mothers who have contracted the virus and arrange for them to be

treated by neonatology specialists. A copy of the report is available in the permanent record.

4. Ad Hoc – 1115 Waiver Committee

- a. Review and Discussion Regarding the Status Report on the 1115 Waiver Harris Health System and External Provider Projects **[Board Deliverable]**.

Ms. Shannon Evans, Health System Strategy Operations Manager, delivered the status report regarding the 1115 Waiver Harris Health System and External Provider Projects. She stated that Harris Health failed to achieve the required metrics regarding pediatric behavioral health and that as a result Harris Health was one (1) of four (4) regional providers that lost funds during the October Demonstration Year 4 (DY4) reporting period. Ms. Evans reported that Region 3 lost a total of \$8.8M in incentive funds for October DY4. She stated that Region 3 achieved \$1.3B, or 91% of the total eligible funds for the region to date. A copy of the report is available in the permanent record.

X. Executive Session

At 11:41 a.m., Mr. Franklin stated that the Board would enter into Executive Session under §161.032 of the Texas Health & Safety Code, Texas Occupations Code Ann. §160.007, Texas Gov't Code Ann. §551.071 and §551.074, and Texas Gov't Code Ann. §551.085.

XI. Reconvene

At 2:15 p.m., Mr. Franklin reconvened the meeting and stated that no action was taken in Executive Session.

- A. Report by Senior Vice President of Corporate Compliance Regarding Compliance with Medicare, Medicaid, HIPAA and other Federal and State Health Care Program Requirements and a Status of Fraud and Abuse Investigations, pursuant to Section 161.032 of the Texas Health & Safety Code, and Possible Action Upon Return to Open Session.

No action was taken.

- B. Report by the Chief Medical Officer Regarding Quality of Medical and Health Care, pursuant to Texas Health & Safety Code Ann. §161.032 and Texas Occupations Code Ann. §160.007 to Receive Peer Review and/or Medical Committee Report in connection with the Evaluation of the Quality of Medical and Health Care Services, and Possible Action Upon Return to Open Session.

No action was taken.

- C. Consultation with the County Attorney Regarding Settlement of a Workers' Compensation Subrogation Claim Arising from an Accident Involving SLL Transportation Pursuant to Texas Gov't Code Ann. §551.071 and Possible Action Upon Return to Open Session.

Motion 16.04-42

Moved by Dr. Kimberly Monday, seconded by Ms. Daisy Stiner, and unanimously passed that the Board approve agenda item X.C.

The Harris County Hospital District d/b/a Harris Health System (“Harris Health”), by and through its Board of Managers, approves and hereby authorizes a settlement in connection with a Workers’ Compensation subrogation claim arising from an accident involving a shuttle bus owned by SLL Transportation in 2012. The settlement is payable to Harris Health System from the law firm of Abraham, Watkins, Nichols, Sorrels, Agosto & Friend in an amount not to exceed \$29,347.21. George V. Masi, President/CEO of Harris Health, is authorized to execute any agreement, release, or any other necessary documents to effect this settlement.

- D. Consultation with the County Attorney Regarding Directors and Officers Liability Insurance Pursuant to Texas Gov’t code Ann. §551.071 and Possible Action Upon Return to Open Session.

No action was taken.

- E. Consultation with the County Attorney and Jackson Walker, L.L.P. Regarding Strategies to Improve and Maximize Financial Performance and Budget Projections Under Provider Agreements, Network Relationships, and Other Strategic Means or Additional Lines of Business for Community Health Choice, Inc., Pursuant to Texas Gov’t Code §551.071, and Possible Action Upon Return to Open Session.

No action was taken.

- F. Discussion Regarding the Contract Between the Harris County Hospital District d/b/a Harris Health System and Affiliated Medical Services, Pursuant to Texas Gov’t Code Ann. §551.085, and Possible Action Regarding this Matter Upon Return to Open Session .

No action was taken.

- G. Discussion Regarding the Employment Agreement between the Harris County Hospital District d/b/a Harris Health System and George V. Masi, President and Chief Executive Officer, Pursuant to Texas Gov’t Code Ann. §551.074, and Possible Action Regarding this Matter Upon Return to Open Session.

Motion 16.04-43

Moved by Dr. Kimberly Monday, seconded by Dr. Donald Butts, and unanimously passed that the Board approve agenda item X.G.

The Harris Health System Board of Managers (Board), acting as the governing body for Harris Health System, approves execution of a First Amendment to Employment Agreement (First Amendment) between George V. Masi and Harris Health System to extend the term of his Employment Agreement for his appointment as President/CEO to May 1, 2018, and increase the President/CEO’s annual base salary to \$585,000. The Board further authorizes Elvin Franklin, Jr., the Board Chair, to execute this First Amendment on behalf of Harris Health System.

XII. Adjournment

Moved by Ms. Daisy Stiner, seconded by Dr. Kimberly Monday, and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at 2:20 p.m.

I certify that the foregoing are the Minutes of the meeting of the Board of Managers of the Harris County Hospital District d/b/a Harris Health System held at the Administration Building in Houston, Texas on April 28, 2016.

Respectfully submitted,

A handwritten signature in blue ink that reads "Elvin Franklin, Jr." with a stylized flourish at the end.

Mr. Elvin Franklin, Jr., Chair
Board of Managers

A handwritten signature in blue ink that reads "Anne Clutterbuck" with a long horizontal flourish extending to the right.

Ms. Anne Clutterbuck, Secretary
Board of Managers

Recorded by Kenya Shields