

HARRIS HEALTH SYSTEM

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MINUTES OF THE BOARD OF MANAGERS MEETING

Thursday, June 30, 2016

Board Room – Administration Building

Members Present:

Mr. Elvin Franklin, Jr., Chair
Ms. Daisy Stiner, Vice-Chair
Ms. Anne Clutterbuck, Secretary
Mr. Lawrence Finder
Dr. Kimberly Monday
Ms. Carolyn Truesdell

Members Absent:

Dr. Donald Butts
Mr. Brandon Capetillo
Ms. Carol Graebner

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, 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
Ms. Suzanne McPherson, Commissioner El Franco Lee's Office
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 9:03 a.m., and noted that a quorum was present. The attendance was recorded.

II. Approval of the Minutes of Previous Meeting

Motion 16.06-57

Moved by Ms. Carolyn Truesdell, seconded by Dr. Kimberly Monday, and unanimously passed that the Board approve the minutes of the May 26, 2016 Board of Managers meeting.

III. Announcements / Special Presentations

- A. **Special Recognition** – Mr. George Masi, President and CEO, and Ms. Kate Ramos, MPH, Director of Quality and Systems Improvement, American Heart Association, recognized Ben Taub Hospital (BTH) for receiving the 2016 Mission: Lifeline® Receiving Center GOLD PLUS Award from the American Heart Association. Ms. Ramos stated that BTH complied with the American Heart Association's guidelines to improve the quality of care for patients who suffer heart attacks. She highlighted that BTH has received the Mission: Lifeline® Receiving Center GOLD PLUS Award for two (2) consecutive years.
- B. **Special Recognition** – Mr. Masi and Ms. Ramos recognized BTH for receiving the American Health Association Stroke Gold Plus Target: Stroke Honor Roll Elite Plus Award from the American Heart Association and the American Stroke Association. Ms. Ramos stated that BTH consistently complied with the Get With The Guidelines stroke achievement and quality measures in the treatment of stroke patients. She announced that the Target: Stroke Honor Roll Elite Plus Award was created two (2) years ago and that BTH achieved this designation both years.

IV. Hear from Citizens

Ms. Cynthia Cole, Executive Director, Local #1550 – AFSCME, American Federation of State, County, and Municipal Employees, stated that she will deliver a letter to the Board which outlines the continuing concerns of Harris Health employees. She noted that the employees of the Lyndon B. Johnson Hospital (LBJH) Outpatient Clinic expressed concern for their safety due to insufficient streetlights near employee parking areas. Ms. Cole requested that the Board reconsider the granting of medical benefits to former Harris Health employees who are terminated. Mr. Elvin Franklin, Jr. stated that Harris Health administration is working to address the problems with employee parking at the LBJH clinic.

Mr. Walter Protheroe stated that he is awaiting a full response from the Harris County Attorney's Office regarding his letter of complaint and that he is awaiting resolution from the Corporate Compliance and Medical Records departments regarding his claims that notes from outside physicians and other documents are missing from his records. He stated that Harris Health physicians are retaliating against him for reporting physicians to Corporate Compliance for falsification of his medical records.

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

Motion 16.06-58

Moved by Ms. Anne Clutterbuck, seconded by Ms. Daisy Stiner, and passed that the Board approve agenda items V.A(1)a. through V.A(1)hh. Mr. Lawrence Finder recused himself from the following agenda items: A(1)a., A(1)c., A(1)d., A(1)g, A(1)h., A(1)k., A(1)l., A(1)m., A(1)n., A(1)o., A(1)p., A(1)q., A(1)r., A(1)s., A(1)t., A(1)w., A(1)cc., A(1)dd., A(1)gg., and A(1)hh. Dr. Kimberly Monday recused herself from agenda item A(1)i.

A. Items Related to Purchasing

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

- a. approve the second of four (4) renewal options for Olympus America Inc. [PP-OR-1129] to provide an equipment repair and maintenance program for endoscopy and video equipment in the estimated amount of \$845,790 for the term July 30, 2016 through July 29, 2017.
- b. approve award on the basis of only proposal received for Mar Cor Purification, Inc. to provide reverse osmosis water systems for dialysis in the estimated amount (Ben Taub only) of \$141,130 for a one-year initial term with four (4) one-year renewal options.
- c. approve the third of four (4) renewal options for Grainger to provide maintenance, repair and operation equipment, supplies, and related items in the estimated amount of \$625,000 for the term August 15, 2016 through August 14, 2017.
- d. approve purchase on the basis of best contract for Rauland-Borg Corporation [PP-IT-141] through Lone Star Communications Houston to provide nurse call systems in the amount of \$543,352 for a one-year initial term with four (4) one-year renewal options.
- e. approve the third and final renewal option for Walter P. Moore & Associates, Inc. to provide engineering design services in the estimated amount of \$150,000 for the term July 12, 2016 through July 11, 2017.
- f. approve award on the basis of low bid for Hunton Services to provide preventive maintenance, inspection, and repair services for chillers, cooling towers, and related items in the estimated amount of \$199,222 for the term July 1, 2016 through June 30, 2017 with four (4) one-year renewal options.
- g. approve purchase on the basis of best contract for Maquet Medical Systems, USA [PP-CA-245] to provide intra-aortic balloon catheters and pumps in the amount of \$174,991.
- h. approve purchase on the basis of lowest-priced contract for Steelcase, Inc. through McCoy-Rockford, Inc. [TXMAS 7-7110140] to provide patient bedroom furniture for semi-private room configurations in the amount of \$110,481.
- i. approve purchase on the basis of sole source for the Houston Academy of Medicine – Texas Medical Center Library to provide subscription library services in the amount of \$113,849 for the term September 1, 2016 through August 31, 2017.

- j. ratify provision for The University of Texas Health Science Center at Houston (Department of General Medicine) to provide primary medical care services to eligible HIV-infected patients in the amount of \$490,172 (Ryan White Grant Funds) for the term March 1, 2016 through February 28, 2017.
- k. approve first-year funding on the basis of best GPO contract for Sage Products, Inc. [PP-NS-931] (Items 1, 3-5, and 6) through Cardinal Health to provide patient cleansing and skin care (bag-based) products in the estimated amount of \$533,428 for the term June 1, 2016 through May 31, 2017.
- l. approve second-year funding for the GPO contract for 3M Company [PP-OR-1196] through Cardinal Health to provide patient warming-convective warming blankets in the estimated amount of \$392,119 for the term August 1, 2016 through July 31, 2017.
- m. ratify additional (budgeted) funds and an extension for Hill-Rom Company, Inc. to provide rental of therapeutic and bariatric beds, surfaces, various accessories, and services in the additional (budgeted) amount of \$354,050 for the extended term June 1, 2016 through November 30, 2016 (Board previously approved funds in the amount of \$708,100 for the term June 1, 2015 through May 31, 2016).
- n. approve award on the basis of best proposals meeting requirements for Cook Medical LLC [Items 1-42, 45-47] (\$69,911) and United States Endoscopy Group, Inc. [Items 48-60] (\$31,874) to provide gastrointestinal endoscopy products in the estimated multi-vendor amount of \$101,785 for a one-year initial term with four (4) one-year renewal options.
- o. approve additional (budgeted) funds and an extension for CareFusion Solutions LLC [PPPH17CFS01 f/k/a PPPH14CFS01] to provide lease and maintenance of the Pyxis[®] supply distribution system in the additional (budgeted) amount of \$266,040 for the term July 1, 2016 through September 30, 2016 (Board previously approved funds in the amount of \$1,064,160 for the term July 1, 2015 through June 30, 2016).
- p. approve first-year funding on the basis of best GPO contracts for Integra Lifesciences Sales, Inc. [PP-OR-1281] – Option 1 (Items 32, 505, 547-560, 577-580, 590) (\$2,790); Karl Storz Endoscopy-America, Inc. [PP-OR-1282] (Items 527-529, 536-539) (\$6,846); Aesculap, Inc. [PP-OR-1278] – Option 1 (Items 2-8, 608, 610, 611, and 619) (\$14,040); Novo Surgical Inc. [PP-OR-1284] – Option 1 (Items 21, 26, 31, 494-498, 500-504, 508-520, 522-524, 530-535, 540-542, 544, 561, 569, 570, 581, 582, 584, 602, 603, 605, 607, 618, 625, 626, 629, 650, 667, 671, 677-680) (\$39,733); and CareFusion 2200, Inc. [PP-OR-1279] – Option 1 (Items 13-17, 19, 20, 22, 27, 28, 30, 33-493, 499, 521, 525, 526, 543, 545, 546, 562, 586-589, 592-595, 597-599, 604, 606, 609, 620-622, 624, 627, 628, 630, 668-670, 674-676) (\$173,179) to provide surgical instruments in the estimated multi-vendor amount of \$236,588 for the term February 1, 2016 through January 31, 2017.
- q. approve second-year funding for the GPO contracts for Stryker Sales Corporation [PP-OR-1207] (\$16,000) and DFINE Inc. [PP-OR-1206] (\$127,323) to provide vertebral compression fracture repair products in the

estimated multi-vendor amount of \$143,323 for the term July 1, 2016 through July 31, 2017.

- r. approve second-year funding for the GPO contract for Smiths Medical ASD, Inc. [PP-OR-1200] through Cardinal Health to provide patient blood and fluid warming products in the estimated amount of \$110,578 for the term August 1, 2016 through July 31, 2017.
- s. approve purchase for Baxter Healthcare Corporation [PPPH17BAX02]; Bio Products Laboratory [PPPH17BPL01]; Biotest Pharmaceuticals Corporation [PPPH17BTP01]; CSL Behring LLC [PPPH17ARM01]; Cangene bioPharma d/b/a Emergent BioSolutions [PPPH17ADD01]; Grifols USA LLC [PPPH18GRIO1]; and Octapharma USA Inc. [PPPH17OCT01] to provide a plasma and recombinant products distribution program – immune globulin intravenous (IGIV) and albumin in the estimated multi-vendor amount of \$3,824,692 for the term July 1, 2016 through June 30, 2017.
- t. approve the first of four (4) renewal options for CareFusion Solutions LLC to provide an automated decentralized medication management system in the estimated amount of \$1,250,000 for the term July 1, 2016 through June 30, 2017.
- u. approve the first of two (2) renewal options for Returns R Us d/b/a Pharma Logistics, Ltd [PPPH17PLG01] to provide pharmacy reverse distribution in the estimated amount of \$160,052 for the term June 26, 2016 through June 25, 2017.
- v. approve the first of four (4) renewal options for Corporate Incentives, Inc. to provide clothing and apparel in the estimated amount of \$100,000 for the term July 28, 2016 through July 27, 2017.
- w. approve renewal for Brown & Fortunato, P.C. (\$35,000); Norton Rose Fulbright US LLP (\$55,000); Norton Rose Fulbright US LLP (\$100,000); Jackson Walker, L.L.P. (\$105,000) and Foster, LLP (\$105,000) to provide legal services for healthcare and governmental reimbursement, employee benefits, and immigration matters in the estimated multi-vendor amount of \$400,000 for the term July 1, 2016 through June 30, 2017.
- x. approve additional (budgeted) funds and an extension for FMA Alliance, Ltd. to provide collection services for overdue patient accounts in the additional (budgeted) amount of \$500,000 for the extended term June 12, 2016 through June 11, 2017 (Board previously approved funds in the amount of \$500,000 for the term June 12, 2015 through June 11, 2016).
- y. approve purchase on the basis of sole source for Language of Caring, LLC to provide communication skill training and consulting services in the amount of \$341,500.
- z. approve additional (budgeted) funds and an extension for Diagnostica Stago, Inc. [PP-LA-348 f/k/a PP-LA-268] to provide hemostasis/coagulation analyzers, reagents, and consumables in the additional (budgeted) amount of \$285,764 for the extended term August 16, 2016 through August 15, 2017 (Board previously approved funds in the amount of \$580,645 for the term

August 16, 2014 through August 15, 2016).

- aa. approve the third of four (4) renewal options for MAR COR Purification to provide deionized water services in the estimated amount of \$109,000 for the term July 25, 2016 through July 24, 2017.
- bb. ratify the second of four (4) renewal options for Fisk Electric Company (Primary) and Network Cabling Services, Inc. (Secondary) to provide a SYSTIMAX[®] Prestige Partner program for cable labor, parts, materials, and related equipment in the estimated multi-vendor amount of \$1,000,000 for the term May 20, 2016 through May 19, 2017.
- cc. ratify additional (budgeted) funds and an extension for Shared Technologies, Inc. to provide maintenance of telephone and voice communication systems in the additional (budgeted) amount of \$932,234 for the extended term June 1, 2016 through May 31, 2017 (Board previously approved funds in the amount of \$920,703 for the term June 1, 2015 through May 31, 2016).
- dd. approve the fourth and final renewal option for Elekta, Inc. to provide maintenance and support for a Radiation Treatment Planning System and a Radiation Oncology Information System in the estimated amount of \$321,854 for the terms July 13, 2016 through July 12, 2017 (Treatment Planning System) and August 28, 2016 through August 27, 2017 (Oncology Information System).
- ee. approve the renewal option for Network Sciences, Inc. to provide the Joint Eligibility Software System in the estimated amount of \$471,000 for the term August 22, 2016 through August 21, 2017.
- ff. approve additional (budgeted) funds for Set Solutions, Inc. [15/006MP-19] to provide anti-phishing security appliance, software, and services in the additional (budgeted) amount of \$163,142 for the term April 21, 2016 through April 20, 2017 (Board previously approved funds in the amount of \$118,354 for the term April 21, 2016 through April 20, 2017).
- gg. approve additional (budgeted) funds for Oracle America, Inc. to provide an Oracle PeopleSoft software upgrade in the additional estimated (budgeted) amount of \$146,922 (Board previously approved funds in the amount of \$289,826).
- hh. ratify provision for Metropolitan Transit Authority of Harris County, Texas to provide a RideSponsor Q[®] Fare Card sales program in the estimated amount of \$225,000 for the term April 3, 2016 through April 2, 2017.

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

- a. transmittal of second of four (4) renewal options for Stryker Sales Corporation through Stryker Endoscopy Division to provide maintenance and repair services for endoscopy equipment in the estimated amount of \$68,040 for the term July 9, 2016 through July 8, 2017.
- b. transmittal of additional (budgeted) funds for Philips Healthcare [PP-MM-292] to provide maintenance and support of physiological monitoring equipment in the additional (budgeted) amount of \$50,606 for the term December 1, 2015 through

November 30, 2016 (Board previously approved funds in the amount of \$554,866 for the term December 1, 2015 through November 30, 2016).

- c. transmittal of third-year funding for the GPO contract for J.T. Posey Company [PP-NS-841] through Cardinal Health to provide restraints and fall prevention products in the estimated amount of \$89,494 for the term August 1, 2016 through July 31, 2017.
- d. transmittal of third-year funding for the GPO contracts for Covidien Sales LLC [PP-NS-812] (\$580) and Becton Dickinson and Company [PP-NS-813] (\$78,524) (all through Cardinal Health) to provide sharps disposal containers in the estimated multi-vendor amount of \$79,104 for the term May 1, 2016 through April 30, 2017.
- e. transmittal of first-year funding on the basis of best GPO contracts for Edwards Lifesciences, LLC [PP-CA-265] – Option 2 (\$1,391 – Items 10-11); LeMaitre Vascular, Inc. [PP-CA-267] – Option 1 (\$4,482 – Items 1-9); and Boston Scientific Company [PP-CA-264] – Option 1 (\$72,000 – Item 12) to provide thrombectomy products in the estimated multi-vendor amount of \$77,873 for the term November 1, 2015 through October 31, 2016.
- f. transmittal of third-year funding for the GPO contract for Arrow International Inc. [PP-NS-829] through Cardinal Health to provide central venous access products in the estimated amount of \$89,047 for the term July 1, 2016 through June 30, 2017.
- g. transmittal of first-year funding on the basis of best GPO contract for Smiths Medical ASD, Inc. [PP-OR-1258] through Cardinal Health to provide temperature monitoring products in the estimated amount of \$63,222 for the term January 1, 2016 through December 31, 2017.
- h. transmittal of the revised vendor name and amount for Lone Star Communications Houston, Inc. (revised) to provide inspection, certification, and training for the Elpas System in the estimated (revised) amount of \$84,740 for a one-year initial term with four (4) one-year renewal options (HALCO Life Safety Systems was previously approved in the estimated amount of \$64,740 but HALCO was acquired by Lone Star Communications Houston, Inc.).
- i. transmittal of purchase on the basis of sole source for Scheidt & Bachmann USA, Inc. to provide parking garage revenue control equipment software, security, and configuration updates in the estimated amount of \$58,050 for one year upon execution of the Agreement.
- j. transmittal of the third of four (4) renewal options on the basis of sole source for MC AnalyTXs, Inc. to provide Medicare and Medicaid third-party payor logging software in the estimated amount of \$99,000 for the term May 13, 2016 through May 12, 2017.
- k. transmittal of utilization of the contracts for Advanced Health Education Ltd. d/b/a MEDRelief Staffing and Medical Contracting Services, Inc. to provide registered and state certified radiography temporary personnel in the estimated multi-vendor amount of \$25,000 for the term July 9, 2016 through July 8, 2017.

- l. transmittal of the second of four (4) renewal options for Sun Coast Resources, Inc. to provide a hurricane season tank reservation and rental agreement in the estimated amount of \$50,000 for the term June 1, 2016 through November 30, 2016.
- m. transmittal of purchase on the basis of sole source for Bio-Rad Laboratories, Inc. to provide the Geenius™ HIV 1/2 Supplemental Assay in the estimated amount of \$95,044 for a one-year initial term with four (4) one-year renewal options.
- n. transmittal of purchase on the basis of sole source for Haemonetics Corporation to provide reagents for Thrombelastograph® Hemostasis Analyzers (TEG®) in the estimated amount of \$64,045 for the term July 1, 2016 through June 30, 2017.
- o. transmittal of purchase on the basis of sole source for Epic Systems Corporation to provide an Epic MyChart subscription in the estimated amount of \$85,000 for the term September 28, 2016 through September 27, 2017.
- p. transmittal of purchase on the basis of low quote for Mark III Systems, Inc. [DIR-SDD-2108] to provide additional storage for Epic software applications in the amount of \$63,600.
- q. transmittal of renewal for Oracle America, Inc. [DIR-TSO-2539] to provide Oracle database maintenance and support in the estimated amount of \$56,326 for the term June 1, 2016 through May 31, 2017.
- r. transmittal of purchase for Baylor College of Medicine to provide intraoperative neuromonitoring services in the estimated amount of \$50,000 for a one-year initial term with five (5) one-year renewal options.
- s. transmittal of purchase for Neuroconnect, LLC to provide intraoperative neuromonitoring services in the estimated amount of \$50,000 for a one-year initial term with five (5) one-year renewal options.

B. Recommended Committee Approvals

Motion 16.06-59

Moved by Ms. Carolyn Truesdell, seconded by Ms. Daisy Stiner, and passed that the Board approve agenda items V.B.1. through V.B.30. Mr. Franklin recused himself from agenda items V.B.18 through V.B.26.

1. Approval of an Interlocal Agreement Between Harris County Hospital District d/b/a Harris Health System and Harris County Public Health and Environmental Services (“HCPHES”) to Implement and Support Epic and Related Information Systems.
2. Approval of an Additional FY2017 Capital Budget Allocation of \$16 Million to Address Facility Infrastructure Needs at Harris Health System.
3. Approval to Transfer Funds in the Amount of \$240,000 to the Harris County Engineering Department to Provide Architectural, Engineering, Construction Management, and Other Related Services Required for the Lyndon B. Johnson Hospital Outside Air Handling Units Replacement Project.

4. Approval to Enter Into the 1st Lease Option Between Harris Health System and A-S 47-Jones-Cypress N. Houston, L.P. for the Cypress Health Center Located at 12340 Jones Road, Suite 100, Houston, Texas 77070 at a Monthly Rate of \$13,211.08 (\$158,532.96/Yr.) for the Term July 15, 2016 Through July 14, 2017.
5. Approval to Enter Into the 1st Lease Option Between Harris Health System and Hartman Highway 6, LLC. for the Bear Creek Health Center Located at 5870 N. Highway 6, Suite 108, Houston, Texas 77084 at a Monthly Rate Not to Exceed \$13,211.08 (\$158,532.96/Yr.) for the Term September 1, 2016 Through August 31, 2017.
6. Approval to Enter Into the 3rd Lease Year Between Harris Health System and University Christian Church for Additional Quentin Mease Community Hospital Parking Located at 3610 Southmore, Houston, Texas 77004 at a Monthly Rate of \$1,450.00 (\$17,400.00/Yr.) for the Term September 1, 2016 Through August 31, 2017.
7. Approval to Enter Into the 4th Lease Year Between Harris Health System and India House Houston for the Sareen Clinic Located at 8888 West Bellfort, Houston, Texas 77031 at a Monthly Rate of \$10,592.42 (\$127,109.00/Yr.) for the Term December 1, 2016 Through November 30, 2017.
8. Approval to Enter Into the 4th Lease Year Between Harris Health System and Spring Branch Plaza, L.L.C. for the Long Branch Health Center Located at 9801 Long Point, Houston, Texas 77055 at a Monthly Rate of \$12,765.00 (\$153,180.00/Yr.) for the Term December 1, 2016 Through November 30, 2017.
9. Approval to Enter Into the 4th Lease Year Between Harris Health System and Ridgeline Bellaire MOB LP for the Robindell Clinic Located at 5420 Dashwood, Houston, Texas 77081 at a Monthly Rate of \$9,694.96 (\$116,337.12/Yr.) for the Term December 1, 2016 Through November 30, 2017.
10. Approval to Enter Into the 5th Lease Year with Petereit Investments, Inc. for the E.A. Squatty Lyons Health Center Located at 1712 First Street, Suites M & N, Humble, Texas 77338 at a Monthly Rate of \$16,755.20 (\$201,062.40/Yr.) for the Term October 1, 2016 Through September 30, 2017.
11. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and San Jacinto Community College District – Central (Emergency Medical Technology Certification Program).
12. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and San Jacinto Community College District – Central (Associate of Emergency Medical Technology Program).
13. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and The University of Texas MD Anderson Cancer Center School of Health Professionals (Bachelor of Science of Histotechnology Program).
14. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and The University of Texas Health Science Center at San Antonio School of Nursing (Doctor of Nursing Practice Program).
15. Approval to Ratify a Subaward Agreement Between Harris County Hospital District d/b/a Harris Health System and Baylor College of Medicine for Grant Funding in the

Amount of \$165,805 from the Cancer Prevention Research Institute of Texas (CPRIT).

16. Approval to Ratify the Move of the Health Care for the Homeless Program from the Service of the Emergency Aid Resource Center for the Homeless (S.E.A.R.C.H.) Building Located at 2505 Fannin Street, Houston, Texas 77002 to 2015 Congress Street, Houston, Texas 77002, as Required by the United States Department of Health and Human Services, Which Provides Funding to the Harris County Hospital District d/b/a Harris Health System to Provide Health Services to Persons Experiencing Homelessness Under Section 330(h) of the Public Health Service Act Health Care for the Homeless Program.
17. Approval to Renew a Grant Agreement in the Amount of \$110,000 Between Harris County Hospital District d/b/a Harris Health System and Parkland Health & Hospital System (formally Dallas County Hospital District, The Parkland Foundation) for the South Central Region 6 AIDS Education and Training Center (formally Texas/Oklahoma AIDS Education and Training Center) Funded Under the Ryan White HIV/AIDS Treatment Extension Act of 2009 Part F to Provide State-of-the-Art Education, Consultation, and Support to Healthcare Professionals Treating HIV-Positive Patients.
18. Approval of a Grant Agreement in the Amount of \$145,469.00 from the Harris County Hospital District Foundation 2015 Jubilee of Caring Awarded to Harris County Hospital District d/b/a Harris Health System for Cancer Care and Cancer Care Transport Services.
19. Approval of a Grant Agreement in the Amount of \$25,000.00 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.
20. Approval of a Grant Agreement in the Amount of \$9,451.00 from the Harris County Hospital District Foundation 2015 Silver Tea Awarded to Harris County Hospital District d/b/a Harris Health System for the Nurses Leadership Fund.
21. Approval of a Grant Agreement in the Amount of \$2,401.77 from the Harris County Hospital District Foundation Awarded to Harris County Hospital District d/b/a Harris Health System for the Ben Taub Birthing Group Balance of Funds.
22. Approval of a Grant Agreement in the Amount of \$2,000.00 from the Harris County Hospital District Foundation Awarded to Harris County Hospital District d/b/a Harris Health System for the Ben Taub Hospital Outreach Services Balance of Funds.
23. Approval of a Grant Agreement in the Amount of \$1,970.40 from the Harris County Hospital District Foundation Awarded to Harris County Hospital District d/b/a Harris Health System for the Thomas Street Clinic Balance of Funds.
24. Approval of a Grant Agreement in the Amount of \$1,624.00 from the Harris County Hospital District Foundation Awarded to Harris County Hospital District d/b/a Harris Health System for the Thomas Street Therapy Garden Balance of Funds.
25. Approval of a Grant Agreement in the Amount of \$1,320.32 from the Harris County Hospital District Foundation Awarded to Harris County Hospital District d/b/a Harris Health System for the Mammography Donations Balance of Funds.

26. Approval of a Grant Agreement in the Amount of \$500.00 from the Harris County Hospital District Foundation Awarded to Harris County Hospital District d/b/a Harris Health System for the Vallbona/People's Clinic Balance of Funds.
27. Acceptance of the Harris Health System Audited Financial Statements as of and for the Years Ended February 29, 2016 and February 28, 2015.
28. Acceptance of the Harris Health System Audited Pension Plan Financial Statements as of December 31, 2015 and 2014.
29. Acceptance of the Harris Health System 401(k) Plan Audited Financial Statements as of December 31, 2015 and 2014.
30. Acceptance of the Audit Report on Federal and State Award Programs for the Year Ended February 29, 2016.

{End of Consent Agenda}

VI. Board Review and Action Items

A. Action Item Related to the Budget and Finance Committee

Motion 16.06-60

Moved by Ms. Anne Clutterbuck, seconded by Ms. Daisy Stiner, and unanimously passed that the Board approve agenda item VI.A.1.

1. Approval of the Extension of the JPMorgan Letter of Credit and the Fourth Amendment to the Reimbursement Agreement.

Mr. Michael Norby, Executive Vice President and Chief Financial Officer, presented the proposed extension to the JPMorgan Chase Bank (JPMorgan Chase) letter of credit and the fourth amendment to the reimbursement agreement. He stated that JPMorgan Chase offers to extend the letter of credit between Harris Health and JPMorgan Chase for one (1) year, beginning August 12, 2016 through August 12, 2017 at a facility fee of 0.65% per annum. Mr. Norby also recommended that the Board authorize Mr. Masi to sign all appropriate documents relating to this agreement on behalf of Harris Health.

The Harris County Hospital District d/b/a Harris Health System ("Harris Health"), by and through its Board of Managers, approves the extension of the JPMorgan Letter of Credit and the Fourth Amendment to the Reimbursement Agreement in connection with certain outstanding revenue bonds and authorizes George V. Masi, President/CEO to execute and deliver any and all documents necessary for this transaction.

B. Miscellaneous Review Item

2. Review and Discussion of the Staffing Advisory Committee's Semi-Annual Evaluation of the Nurse Staffing Plan and Aggregate Staffing Variance.

Dr. Maureen Padilla, Senior Vice President and Chief Nursing Executive, Ms. Pamela Russell, Staffing Advisory Committee Co-Chair, and Ms. Thy Bui, Staffing Advisory Committee Co-Chair, led the discussion regarding the Staffing Advisory Committee's semi-annual evaluation of the Nurse Staffing Plan and Aggregate Staffing Variance. Dr. Padilla stated that the Harris Health Staffing Advisory Committee is composed of registered nurses from BTH, LBJH, and Quentin Mease Community Hospital and that the committee meets monthly to review the nurse staffing plans for each nursing unit. She reported that the nurses who responded to the Fiscal Year 2016 (FY2016) Nurse Staffing Plan semi-annual evaluation requested that the Staffing Advisory Committee examine the following four (4) issues: 1) nurse-to-patient ratios; 2) patient acuity/workload; 3) the availability of nurses on standby to accommodate for vacancies due to absences; and 4) the lack of patient care assistants. Mr. Masi stated that the challenges of nurse staffing will be included in the strategic discussion regarding Harris Health's employee recruitment and retention strategies scheduled to be held at the July 2016 Board meeting. Dr. Kimberly Monday requested a count of the number of bilingual nurses at Harris Health so that the Board may include this information in its strategic planning discussions. Ms. Anne Clutterbuck noted that while Harris Health may not be able to offer competitive salaries to its nurses, she stated that an organizational culture of service, mission, and validation can be equally important to prospective employees. She requested a report of the participation rate for each pavilion of the nurses who completed the FY2016 Nurse Staffing plan semi-annual evaluation. A copy of the evaluation is available in the permanent record.

VII. Strategic Discussion Issues

A. Value-Based Healthcare Delivery

Dr. Parikshet Babber, Executive Vice President and Chief Medical Officer, led the discussion regarding value-based healthcare delivery. He stated that volume-based healthcare delivery is a fee-for-service model which rewards hospitals for providing a high volume of care to patients while value-based healthcare delivery rewards hospitals for providing the best quality of care at reasonable costs. Dr. Babber emphasized the importance of Harris Health transitioning from volume-based care to value-based care to remain on trend with the healthcare industry as a whole. He reported that healthcare organizations nationwide are discussing the following components of value-based care: 1) the organization of integrated practice units; 2) the examination of outcomes and costs for each patient; 3) the development of bundled prices for care cycles; 4) the integration of care delivery systems; 5) the growth of excellence in services across geographic boundaries; 6) the creation of an enabling information technology platform; 7) the reduction of medical errors; and 8) improvements in operational efficiencies. Dr. Babber stated that Harris Health began its evolution to value-based care in 2016 with the implementation of the Time-Out, Hand Hygiene, and Just Culture quality initiatives and through collaboration with the LifeWings™ patient safety program. He added that Harris Health also improved its coordination of care measures through the use of discharge follow-up phone calls with congestive heart failure patients. Dr. Babber announced that Harris Health will release a revised executive quality scorecard in August 2016 which will focus on the Centers for Medicare and Medicaid Services (CMS) quality metrics and outcomes. Ms. Carolyn Truesdell inquired whether value-based care strategies apply to outpatient facilities as well as to hospitals. Dr. Babber responded that while the CMS value-based

metrics currently focus on inpatient care, he anticipated that metrics related to ambulatory care will be developed in the future. Mr. Masi stated that value-based healthcare may be utilized to prevent disease and illness and he explained that Harris Health is positioned to take advantage of the benefits of value-based care because the organization is able to provide a continuum of care for its patients among the wide variety of hospitals and clinics included in the platform. Discussion ensued.

VIII. Key Performance Reports

A. Committee Reports

1. Joint Conference Committee

Motion 16.06-61

Moved by Ms. Anne Clutterbuck, seconded by Ms. Daisy Stiner, and unanimously passed that the Board approve agenda item VIII.A.1.a.

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

Dr. Maya Suresh, Chair of the Medical Executive Board, presented the June 2016 Medical Executive Board Report. She announced that Dr. Joseph Garcia-Prats, Chief of Neonatology, BTH, was nominated as chair of the Medical Executive Board and chair of the Bylaws Committee, effective January 2017. Dr. Suresh stated that the number of new HIV cases has increased in Harris County and that Dr. Thomas Giordano, Medical Director of Thomas Street Health Center, delivered a presentation regarding the utilization of pre-exposure prophylaxis for high-risk HIV patients. She stated that Dr. Carey Eppes, Co-Director of the BTH Obstetric Infectious Disease Clinic, delivered a presentation regarding the Zika virus. A copy of the report is available in the permanent record.

Motion 16.06-62

Moved by Ms. Anne Clutterbuck, seconded by Dr. Kimberly Monday, and unanimously passed that the Board approve agenda item VIII.A.1.b.

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

Dr. Suresh presented the June 2016 credentialing changes for the members of the Harris Health System medical staff. She reported that there were eighteen (18) initial applications, one hundred and three (103) reappointments, twenty-one (21) resignations, and thirteen (13) change/add privileges. 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. Babber presented the Harris Health System Quality Executive Summary and Scorecard. He reported that the system-level indicators regarding blood utilization, core measures, readmissions, patient falls, and hospital-based inpatient psychiatric measures met or measured within 5% of the benchmarks for April 2016. He stated that quietness of hospital and care transition indicators failed to reach goal metrics and that corrective action plans were implemented for both. Dr. Babber commended Dr. Michael Gardner, Executive Vice President and Administrator, Ambulatory Care Services (ACS), and Dr. Mohammad Zare, Chief of Staff, ACS, for the improvements in diabetes foot exam and diabetes eye exam metrics. A copy of the report is available in the permanent record.

3. Budget and Finance Committee

Motion 16.06-63

Moved by Dr. Kimberly Monday, seconded by Ms. Daisy Stiner, and unanimously passed that the Board approve agenda item VIII.A.3.a.

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

Mr. Norby presented the Harris Health System May 2016 Financial Report. He stated that Harris Health's monthly revenue and expenses were on target for May 2016 and that the organization is on track to meet its budgetary goals for Fiscal Year 2017. A copy of the report is available in the permanent record.

Motion 16.06-64

Moved by Mr. Elvin Franklin, Jr., seconded by Ms. Carolyn Truesdell, and unanimously passed that the Board approve agenda item VIII.A.3.b.

- b. Acceptance of the Harris Health System First Quarter FY2017 Investment Report.

Mr. Norby presented the Harris Health System First Quarter FY2017 Investment Report. He stated that Harris Health's cash position improved due to the receipt of delayed Disproportionate Share Hospital/Uncompensated Care payments from the State of Texas. A copy of the report is available in the permanent record.

- c. Presentation of the May 2016 Financial Statements of Community Health Choice, Inc.

Mr. Kenneth Janda, President and Chief Executive Officer, Community Health Choice, Inc. (CHC, Inc.), presented the May 2016 financial statements for CHC, Inc. He stated that CHC, Inc.'s total revenue was \$487.7M year-to-date, which was \$20M greater than budget and that net income was \$5.4M year-to-date, which was \$1.7M greater than budget. Mr. Janda mentioned that CHC, Inc. is also shifting its focus to value-based healthcare. He stated that over 50% of the

primary care physicians at CHC, Inc. receive incentive payments based on quality measurements and that the obstetrics department at The University of Texas Health Science Center at Houston is conducting a bundled payment pilot program for maternity care. Mr. Janda reported that CHC, Inc. experienced a significant increase in cash assets due to a high rate of membership growth and a lower than expected rate of insurance claims by the new members. He stated that CHC, Inc. will be required to contribute to risk adjustment programs related to the Health Insurance Marketplace (Marketplace) as a result of CHC, Inc.'s improved cash position. Mr. Janda predicted that approximately 30% of the premiums that CHC, Inc. collected for Marketplace insurance plans in 2015 will be utilized to subsidize insurance companies that were not as successful in the Marketplace. Ms. Daisy Stiner inquired how much of the underutilization of insurance claims may be attributed to patients' lack of understanding of how the Marketplace insurance plans work. Mr. Janda responded that CHC, Inc. offers education regarding insurance plan benefits and services to its members through telephone calls and classes. A copy of the report is available in the permanent record.

IX. Executive Session

At 10:45 a.m., Mr. Franklin stated that the Board would enter into Executive Session under §161.032 of the Texas Health & Safety Code, the Texas Occupations Code Ann. §160.007, and the Texas Gov't Code Ann. §551.071.

X. Reconvene

At 12:03 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 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.

- D. Consultation with the County Attorney Regarding Cause No. 2015-06758; *Alphonsus Okpara v. Harris County Hospital District d/b/a Harris Health System*, in the 190th Judicial District Court of Harris County, Texas, Pursuant to Texas Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session.

No action was taken.

- E. Consultation with the County Attorney Regarding EEOC Charge Number: 460-2016-02317; Michelle Heinrich, Pursuant to Texas Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session.

No action was taken.

- F. Consultation with the County Attorney Regarding Disposition of Vizient, Inc. Stock, Pursuant to Texas Gov't Code §551.071, and Possible Action Regarding this Matter Upon Return to Open Session.

Motion 16.06-65

Moved by Dr. Kimberly Monday, seconded by Ms. Daisy Stiner, and passed that the Board approve and ratify agenda item IX.F.; five (5) in favor; one (1) abstained; three (3) absent.

The Harris County Hospital District d/b/a Harris Health System ("Harris Health"), by and through its Board of Managers, approves and ratifies the Harris Health President/CEO's execution of an Agreement (attached to this Resolution) between Harris Health and the Harris County Hospital District Foundation (Foundation) involving the assignment of Vizient, Inc. stock, formerly VHA-UHC Alliance NewCo., Inc., to the Foundation that was allocated to Harris Health from the sale of University HealthSystem Consortium assets to Vizient, Inc. The Board further approves and ratifies the Harris Health President/CEO's execution of other documents attached to this Resolution and submitted to Vizient, Inc. regarding Harris Health's assignment of the Vizient, Inc. stock to the Foundation.

XI. Adjournment

Moved by Mr. Lawrence Finder, seconded by Ms. Daisy Stiner, and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at 12:05 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 June 30, 2016.

Respectfully submitted,

A handwritten signature in black ink that reads "Elvin Franklin, Jr." in a cursive style.

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

A handwritten signature in blue ink that reads "Anne Clutterbuck" in a cursive style.

Ms. Anne Clutterbuck, Secretary
Board of Managers

Recorded by Kenya Shields