BOARD OF TRUSTEES

Public Meeting Agenda

HARRISHEALTH SYSTEM

Thursday, February 23, 2023
8:00 A.M.

BOARD ROOM
4800 Fournace Place, Bellaire, TX 77401
The meeting may be viewed online: http://harrishealthtx.swagit.com/live.

***Notice: Some Board Members may participate by videoconference.**

Mission

Harris Health is a community-focused academic healthcare system dedicated to improving the health of those most in need in Harris County through quality care delivery, coordination of care and education.

AGENDA

I.	**Call to Order and Record of Attendance**	**Dr. Arthur Bracey**	**1 min**
II.	**Approval of the Minutes of Previous Meeting** • Board Meeting – January 26, 2023	**Dr. Arthur Bracey**	**1 min**
III.	**Announcements / Special Presentations**	**Dr. Arthur Bracey**	**30 min**
	A. CEO Report Including Special Announcements – ***Dr. Esmaeil Porsa*** • Economic Impact Study ***– Tripp Umbach, Strategic Consulting Services***		*(20 min)*
	B. Special Announcement *Dr. Arthur Bracey,* will Recognize Good Catch Recipients		*(8 min)*
	C. Board Member Announcements Regarding Board Member Advocacy and Community Engagements		*(2 min)*
IV.	**Public Comment**	**Dr. Arthur Bracey**	**3 min**
V.	**Executive Session**	**Dr. Arthur Bracey**	**30 min**
	A. Report Regarding Quality of Medical and Healthcare, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002 to Receive Peer Review and/or Medical Committee Report, Including Report of the Medical Executive Board in Connection with the Evaluation of the Quality of Medical and Healthcare Services, Including the Harris Health System Quality, Safety Performance Measures and Zero Harm, and Possible Action Regarding this Matter Upon Return to Open Session ***– Dr. Steven Brass and Dr. Yashwant Chathampally***	**Dr. Andrea Caracostis**	*(10 min)*
	B. Medical Executive Board Report and Credentialing Discussion, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002 to Receive Peer Review and/or Medical Committee Report, Including Consideration of Approval of Credentialing Changes for Members of the Harris Health System Medical Staff ***– Dr. Martha Mims***		*(10 min)*

C. Report Regarding Harris Health System Correctional Health Quality of Medical and Healthcare, Including Credentialing Discussion and Operational Updates, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, Tex. Occ. Code Ann. §151.002 and Tex. Gov't Code Ann. §551.071 to Receive Peer Review and/or Medical Committee Report with Possible Action Upon Return to Open Session ***– Dr. Otis Egins*** *(10 min)*

VI. Reconvene to Open Meeting **Dr. Arthur Bracey** **2 min**

VII. General Action Item(s) **Dr. Arthur Bracey** **18 min**

A. General Action Item(s) Related to Quality: Medical Staff

1. Consideration of Approval of Credentialing Changes for Members of the Harris Health System Medical Staff ***– Dr. Martha Mims*** *(2 min)*
2. Review and Discussion Regarding the Harris Health System Staffing Advisory Committee's Semi-Annual Evaluation of the Nurse Staffing Plan and Aggregate Staffing Variance ***– Dr. Jackie Brock*** *(5 min)*

B. General Action Item(s) Related to Quality: Correctional Health Medical Staff

1. Consideration of Approval of Credentialing Changes for Members of the Harris Health System Correctional Health Medical Staff ***– Dr. Otis Egins*** *(2 min)*
2. Consideration of Approval of New Harris Health System Correctional Health Clinical Privileges ***– Dr. Otis Egins*** *(2 min)*
   - Dentistry
3. Consideration of Approval of Agreement between Harris Health System and CHS Care TX, LLC d/b/a YesCare for Correctional Health Staffing Services ***– Mr. Michael Hill*** *(2 min)*

C. General Action Item(s) Related to Budget & Finance

1. Consideration of Approval of the Harris Health System Annual Investment Policy ***– Ms. Victoria Nikitin*** *(5 min)*

VIII. New Items for Board Consideration **Dr. Arthur Bracey** **10 min**

A. Consideration of Approval of Revisions to Harris Health Board of Trustees Bylaws ***– Ms. Sara Thomas*** *(5 min)*

B. Consideration of Approval of Revisions to Harris Health System Board of Trustees Member Conflict of Interest and Nepotism Policy ***– Ms. Sara Thomas*** *(5 min)*

IX. Strategic Discussion **Dr. Arthur Bracey** **40 min**

A. Harris Health System Strategic Plan Initiatives

1. Presentation Regarding Strategic Capital Needs and Funding ***– Ms. Maria Cowles, Mr. Louis Smith, Ms. Victoria Nikitin and Mr. Mustafa Tameez, Outreach Strategists*** *(10 min)*
   [Strategic Pillar 5: Infrastructure Optimization**]**

2. Presentation Regarding Strategic Communications Plan *(10 min)*
– Ms. Olga Rodriguez and Langrand Communications
[Strategic Pillar 2: People**]**

3. Update Regarding Minority/Woman-owned Business Enterprises (MWBE) Utilization Report ***– Mr. Derek Holmes*** *(10 min)*
[Strategic Pillar 6: Diversity, Equity and Inclusion**]**

4. February Board Committee Meeting Reports: *(10 min)*
[Strategic Pillar 3: One Harris Health System**]**

- Quality Committee ***– Dr. Andrea Caracostis***
- Governance Committee ***– Dr. Andrea Caracostis***
- Compliance & Audit Committee ***– Ms. Barbie Robinson***
- DEI Committee ***– Ms. Marcia Johnson***

X. Consent Agenda Items **Dr. Arthur Bracey** **5 min**

A. Consent Purchasing Recommendations

1. Consideration of Approval of Purchasing Recommendations (Items A1 through A37) ***– Mr. DeWight Dopslauf and Mr. Jack Adger, Harris County Purchasing Office***
(See Attached Expenditure Summary: February 23, 2023)

B. Consent Committee Recommendations

1. Consideration of Acceptance of the Harris Health System Independent Auditor's Report and Financial Statements for the Stub Year Ended September 30, 2022 ***– Ms. Victoria Nikitin***

2. Consideration of Acceptance of the Harris Health System Single Audit Report of Federal and State Award Programs for the Stub Year Ended September 30, 2022 ***– Ms. Victoria Nikitin***

3. Consideration of Approval of Proposed Revisions to Harris Health System's Code of Conduct ***– Ms. Carolynn Jones***

C. Consent Grant Agreement Recommendations

1. Consideration of Approval of Grant Agreement Recommendations (Items C1-C2) ***– Dr. Jennifer Small and Mr. Jeffrey Baker***
(See Attached Expenditure Summary: February 23, 2023)

D. New Consent Items for Board Approval

1. Consideration of Acceptance of the Harris Health System First Quarter Fiscal Year 2023 Investment Report ***– Ms. Victoria Nikitin***

2. Consideration of Acceptance of the Harris Health System Fourth Quarter Calendar Year 2022 Pension Plan Report ***– Ms. Victoria Nikitin***

3. Consideration of Acceptance of the Harris Health System December 2022 Quarterly Financial Report Subject to Audit ***– Ms. Victoria Nikitin***

4. Consideration of Approval to Enter into a New Lease Agreement with University Christian Church for Supplemental Quentin Mease Clinic Parking ***– Mr. Louis Smith***

E. Consent Reports and Updates to Board

1. Updates Regarding Pending State and Federal Legislative and Policy Issues Impacting Harris Health System ***– Mr. R. King Hillier***

2. Harris Health System Council-At-Large January Meeting Minutes
– Dr. Jennifer Small

{End of Consent Agenda}

XI.	**Item(s) Related to the Health Care for the Homeless Program**	**Dr. Arthur Bracey**	**15 min**
A.	Review and Acceptance of the Following Report(s) for the Health Care for the Homeless Program (HCHP) 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 ***– Dr. Jennifer Small, Ms. Tracey Burdine and Dr. LaResa Ridge***		*(11 min)*
	• HCHP February 2023 Operational Update		
B.	Consideration of Approval of HCHP Sliding Fee Discount Program Evaluation ***– Dr. Jennifer Small, Ms. Tracey Burdine and Dr. LaResa Ridge***		*(1 min)*
C.	Consideration of Approval of 2023 HCHP Sliding Fee Scale ***– Dr. Jennifer Small, Ms. Tracey Burdine and Dr. LaResa Ridge***		*(1 min)*
D.	Consideration of Approval of HCHP 2022 Q4 Budget Report ***– Dr. Jennifer Small, Ms. Tracey Burdine and Dr. LaResa Ridge***		*(1 min)*
E.	Consideration of Approval of HCHP 2023 – 2026 Strategic Plan ***– Dr. Jennifer Small, Ms. Tracey Burdine and Dr. LaResa Ridge***		*(1 min)*
XII.	**Executive Session**	**Dr. Arthur Bracey**	**65 min**
D.	Consultation with Attorney Regarding Collaborative Opportunities with The University of Texas M.D. Anderson Cancer Center, Pursuant to Tex. Gov't Code Ann. §551.071 and Tex. Gov't Code Ann. §551.085 ***– Ms. Sara Thomas and Mr. Louis Smith***		*(10 min)*
E.	Consultation with Attorney Regarding Proposal to Include UT Health and Baylor College of Medicine Signage on Harris Health Facilities, Pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action Upon Return to Open Session, Including Delegation of Authority to Harris Health Administration to Perform Due Diligence and Negotiate Agreements Related to the Proposed Joint Signage for Final Approval by the Harris Health Board of Trustees ***– Dr. Esmaeil Porsa and Ms. Sara Thomas***		*(10 min)*
F.	Review of the 2022 Preliminary Financial Performance for the Twelve Months Ending December 31, 2022, Pursuant to Tex. Gov't Code Ann. §551.085 and Tex. Gov't Code Ann. §551.071, Including Consideration of Approval of the 2023 Capital Budget for Community Health Choice Texas, Inc. and Community Health Choice, Inc. and the 2023 Insurance Renewals Upon Return to Open Session ***– Ms. Lisa Wright, CEO and Ms. Anna Mateja, CFO, Community Health Choice***		*(10 min)*

G.	Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA and Other Federal and State Healthcare Program Requirements and a Status of Fraud and Abuse Investigations, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Gov't Code §418.183, Tex. Gov't Code §551.089, Tex. Occ. Code Ann. §160.007, Tex. Occ. Code Ann. §151.002, and Tex. Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session ***– Ms. Carolynn Jones***	**Ms. Barbie Robinson**	*(5 min)*
H.	Consultation with Attorney and Possible Action Regarding the Agreements between Harris County Hospital District Foundation and Harris Health System and Philanthropic Strategies, Pursuant to Tex. Gov't Code Ann. §551.071 ***– Ms. Sara Thomas***		*(15 min)*
I.	Consultation with Harris County Attorney Regarding Litigation Related to E-Cigarettes and Vaping, and Possible Action Upon Return to Open Session, Including Approval of Settlement Agreement ***– Ms. Sara Thomas***		*(5 min)*
J.	Discussion Related to Correctional Health Matters, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, Tex. Occ. Code Ann. §151.002 and Tex. Gov't Code Ann. §551.071 ***– Dr. Esmaeil Porsa and Mr. Michael Hill***		*(10 min)*
XIII.	**Reconvene**	**Dr. Arthur Bracey**	**1 min**
XIV.	**Adjournment**	**Dr. Arthur Bracey**	**1 min**

MINUTES OF THE HARRIS HEALTH SYSTEM BOARD OF TRUSTEES
Board Meeting
Thursday, January 26, 2023
8:00 am

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
I. Call to Order and Record of Attendance	The meeting was called to order at 8:14 a.m. by Arthur Bracey, MD, Chair. It was noted that a quorum was present and the attendance was recorded. Dr. Bracey stated while some of Board members are in the room with us today, others will participate by videoconference as permissible by state law and the Harris Health Videoconferencing Policy. The meeting may be viewed online: http://harrishealthtx.swagit.com/live.	**A copy of the attendance is appended to the archived minutes.**
II. Approval of the Minutes of Previous Meeting	• Board Meeting – December 1, 2022 Dr. Bracey requested approval of the December Board Minutes subject to the following correction: The words "with final approval of renegotiation subject to the Board of Trustees' review" should be stricken from the original motion in item XI G."	**Motion No. 23.01-01** **Moved by Mr. Lawrence Finder, seconded by Dr. Andrea Caracostis, and unanimously passed that the Board approve the minutes of the previous meeting as amended. Motion carried.**
III. Announcements/ Special Presentations	**A. CEO Report Including Special Announcements** Dr. Esmaeil Porsa, President and Chief Executive Officer (CEO), delivered an update regarding COVID-19. He shared that the COVID-19 viral load in waste water has declined. He also reported a continued drop in COVID-19 positivity rates and hospitalizations across the Texas Medical Center (TMC), as well as Harris Health System. Dr. Porsa recognized Harris Health Staff and Administration for their selfless service in caring for the patients and residents of Harris County. A copy of the presentation is available in the permanent record.	**As Presented.**
	B. Special Announcement Dr. Bracey recognized two (2) Harris Health employees who exemplified and embodied the Board of Trustee's commitment to a Just and Accountable Culture. Their escalation, advocacy, and intervention demonstrated commitment to the safety and care of patients at Harris Health. The Board recognized Ms. Yimisha Verrett, Medical Technologist Lead, Lyndon B. Johnson (LBJ) Hospital and Ms. Tammie Mozell, Health Unit Coordinator, Ben Taub Hospital (BTH), for the Good Catch Awards.	

	C. Board Member Announcements Regarding Board Member Advocacy and Community Engagements. Dr. Bracey stated that the Board of Trustees is pleased to welcome its new Trustee, Ms. Carol Paret, who was appointed to the Board by Harris County Judge Lina Hidalgo during the November 29, 2022 Harris County Commissioners Court Meeting. Ms. Paret is the Senior Vice President and Chief Community Health Officer for Memorial Hermann Health System and the Chief Executive Officer (CEO) of the Memorial Hermann Community Benefit Corporation. She earned her Bachelor of Science degree from the University of Houston. She began her career in community health planning and has worked for Memorial Hermann for the past 41 years. Throughout her career at Memorial Hermann, she has provided leadership to multiple programs such as medical records, the family medicine residency program and various clinical operations. Dr. Bracey welcomed Ms. Paret and shared that she will serve as a member of Harris Health's Compliance and Audit Committee.	
IV. Public Comment		**There were no public speakers registered to appear before the Board.**
V. Executive Session	At 8:31 a.m., Dr. Arthur Bracey stated that the Board would enter into Executive Session for Items 'A through C' as permitted by law under Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §151.002 and Tex. Occ. Code Ann. §160.007.	
	A. Report Regarding Quality of Medical and Healthcare, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002 to Receive Peer Review and/or Medical Committee Report, Including Report of the Medical Executive Board in Connection with the Evaluation of the Quality of Medical and Healthcare Services, Including the Harris Health System Quality, Safety Performance Measures and Zero Harm, and Possible Action Regarding this Matter Upon Return to Open Session	**No Action Taken. Dr. Arthur Bracey recused from participating in discussion and voting regarding cases involving care rendered by Baylor College of Medicine (BCM) and credentialing discussions involving BCM.**
	B. Medical Executive Board Report and Credentialing Discussion, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002 to Receive Peer Review and/or Medical Committee Report, Including Consideration of Approval of Credentialing Changes for Members of the Harris Health System Medical Staff	**No Action Taken. Dr. Arthur Bracey recused from participating in BCM discussions.**
	C. Report Regarding Harris Health System Correctional Health Quality of Medical and Healthcare, Including Credentialing Discussion and Operational Updates, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, Tex. Occ. Code Ann. §151.002 and Tex. Gov't Code Ann. §551.071 to Receive Peer Review and/or Medical Committee Report with Possible Action Upon Return to Open Session	**No Action Taken.**

VI. Reconvene to Open Meeting	At 9:00 a.m., Dr. Arthur Bracey reconvened the meeting in open session; he noted that a quorum was present and that no action was taken in Executive Session.	
VII. General Action Item(s)	**A.** General Action Item(s) Related to Quality: Medical Staff	
	1. Approval of Credentialing Changes for Members of the Harris Health System Medical Staff Dr. Martha Mims, Chair, Medical Executive Board, presented the credentialing changes for members of the Harris Health System Medical Staff. In December 2022, there were twenty-eight (28) initial appointments, zero (0) reappointments, and twelve (12) resignations. For January 2023, there were sixteen (16) initial appointments, 130 reappointments, and one (1) resignation. A copy of the credentialing changes is available in the permanent record.	**Motion No. 23.01-02** **Moved by Dr. Ewan D. Johnson, seconded by Mr. Lawrence Finder, and unanimously passed that the Board approve agenda item VII.A.1. Motion carried. Dr. Arthur Bracey recused on this matter related to BCM Credentialing vote.**
	2. Approval of Harris Health's Medical Staff Changes in Clinical Privileges Dr. Mims shared that the Medical Executive Board approved the changes in clinical privileges for Neurocritical Care (NCC). A copy of the revisions to the neurology and neurosurgery clinical privileges is available in the permanent record.	**Motion No. 23.01-03** **Moved by Dr. Ewan D. Johnson, seconded by Dr. Andrea Caracostis, and unanimously passed that the Board approve agenda item VII.A.2. Motion carried.**
	B. General Action Item(s) Related to Quality: Correctional Health Medical Staff	
	1. Approval of Credentialing Changes for Members of the Harris Health System Correctional Health Medical Staff Dr. Otis Egins, Chief Medical Officer, Harris Health Correctional Health, presented the credentialing changes for members of the Harris Health System Correctional Health Medical Staff. In December 2022, there were five (5) initial appointments and forty-nine (49) initial appointments for the month of January 2023. A copy of the credentialing changes is available in the permanent record.	**Motion No. 23.01-04** **Moved by Dr. Ewan D. Johnson, seconded by Ms. Jennifer Tijerina, and unanimously passed that the Board approve agenda item VII.B.1. Motion carried.**
	2. Approval of Interlocal Agreement between Harris Health and Harris County for the Provision of Information Technology Support and Epic EMR System to the Harris County Sherriff's Office Mr. Michael Hill, Executive Vice President, Chief Strategy & Integration Officer, presented an Interlocal Agreement between Harris Health and Harris County for the Provision of Information Technology Support and Epic EMR System to the Harris County Sherriff's Office. He shared that the purpose of amendment is to provide the Harris County Sheriff's Office (HCSO) with information technology support and access to EpicCare.	**Motion No. 23.01-05** **Moved by Dr. Ewan D. Johnson, seconded by Dr. Andrea Caracostis, and unanimously passed that the Board approve agenda item VII.B.2. Motion carried.**

	The proposed amendment further defines the responsibility of each party for support activities and would expand Harris Health's obligations to include: 1) Implementation and configuration of additional Epic and 3rd party modules 2) Installation of a virtual network that will facilitate automation particularly in the Pharmacy and Lab areas (Pyxis; Point of Care Testing and Parada (pharmacy packaging system) 3) Deployment of remote access solutions for Harris Health employees, medical staff, and contractors who provide correctional health care within HCSO Detention Facilities	
	3. Approval of the Harris Health System Correctional Health Quality Manual Ms. Katie Rutherford, Harris County Attorney's Office, Harris Health legal team presented the Harris Health System Correctional Health Quality Manual. She shared that the purpose of the Correctional Health Quality Manual is to outline the structured process that Harris Health System will use to identify, monitor, and improve the delivery of patient care provided by Harris Health System at the Harris County Sheriff's Office detention facilities and to identify and address deficiencies through the implementation of a corrective action plan designed to improve the safety and quality of care. Board discussions ensued regarding the Correctional Health Quality governance structure. A copy of the Correctional Health Quality Manual is available in the permanent record.	**Motion No. 23.01-06** **Moved by Mr. Lawrence Finder, seconded by Dr. Ewan D. Johnson, and unanimously passed that the Board approve agenda item VII.B.2., contingent upon modification to clarify the Correctional Health Quality structure. Motion carried.**
VIII. New Items for Board Consideration	**A.** Approval of the 2023 Board of Trustees Calendar Dr. Andrea Caracostis presented the 2023 Board of Trustees Calendar. She noted the following proposed changes to the 2023 Board of Trustees Board Calendar: • During calendar year 2023, the Board of Trustees will meet on a monthly basis. • The Board will have one Special Called (HRSA) Board meeting in November and one Budget Workshop in August. • The Budget & Finance Committee, Compliance & Audit Committee and Ambulatory Surgical Center (ASC) at LBJ Governing Body will convene on a quarterly basis. • Diversity, Equity and Inclusion (DEI) Committee, Governance Committee, and Quality Committee will meet on a monthly basis. • Recommendation for Harris Health to host four (4) quarterly Town Hall Meetings Ms. Olga Llamas Rodriguez, Vice President, Community Engagement & Corporate Communications, addressed the recommendation for Harris Health to host four (4) quarterly town hall meetings in 2023. Discussions ensued regarding community engagement as well as accessibility throughout Harris County. The Board discussed the cadence of the Board committee meetings in addition to challenges associated with hosting the town hall meetings.	**Motion No. 23.01-07** **Moved by Dr. Ewan D. Johnson, seconded by Mr. Lawrence Finder, and majority passed that the Board approve agenda item VIII.A. Motion carried.**

	Dr. Caracostis stated that she would bring all recommendations to the Governance Committee for a more robust discussion. A copy of the 2023 Board of Trustees Calendar is available in the permanent record. Dr. Bracey motioned for a roll call vote on approval of the 2023 calendar as follows: • Ms. Barbie Robinson - Nay • Ms. Jennifer Tijerina – Abstain • Dr. Andrea Caracostis – Aye • Dr. Ewan D. Johnson – Aye • Ms. Carol Paret – Aye • Mr. Lawrence Finder – Aye • Ms. Marcia Johnson - Nay • Dr. Arthur Bracey – Aye	
IX. Strategic Discussion	**A.** Harris Health System Strategic Plan Initiatives	
	1. Update Regarding Diversity, Equity, and Inclusion Committee Ms. Marcia Johnson delivered an update regarding DEI Committee. She noted that the DEI Committee met on Friday, January 20, 2023. Ms. Karen Tseng, Special Advisor to the CEO, and Mr. Derek Holmes, Administrative Director, Contracting Diversity, shared that the committee discussed the following initiatives: 1) Research strategies and plans for addressing disparity in patient care including: o Understanding of health equity and social determinants of health o Role of healthcare systems in advancing health equity o Harris Health priority actions to measure and address health equity 2) Status regarding Harris Health's Minority and Women Owned Business Enterprise (MWBE) Program A copy of the presentation is available in the permanent record.	**As Presented.**
X. Consent Agenda Items	**A.** Consent Purchasing Recommendations	

	1. Approval of Purchasing Recommendations (Items A1 through A82) Dr. Bracey noted that purchasing's transmittals B1 through B33 are not for approval. Mr. DeWight Dopslauf, Purchasing Agent, Harris County Purchasing Office, reported the following revision to the purchasing agenda: • Item A38 – date should reflect February 14, 2023 through February 13, 2024. A copy of the purchasing recommendations is available in the permanent record.	**Motion No. 23.01-08** **Moved by Dr. Andrea Caracostis, seconded by Mr. Lawrence Finder, and majority passed that the Board approve agenda item X.A.1. Motion carried. Ms. Marcia Johnson opposed this motion.**
	B. New Consent Agenda Item(s) for Approval	
	1. Approval of First Amendment to the Interlocal Agreement Between Harris Health System and Harris County for Legal Representation and Related Support Services of the Harris County Attorney's Office	**Motion No. 23.01-09** **Moved by Ms. Jennifer Tijerina, seconded by Dr. Andrea Caracostis, and unanimously passed that the Board approve agenda item X.B.1. through X.B.3. Motion carried.**
	2. Approval to Convey a Sidewalk Easement and Right of Way to the City of Houston for the Casa de Amigos Health Center Expansion Project, Houston, Harris County, Texas	**Motion No. 23.01-09** **Moved by Ms. Jennifer Tijerina, seconded by Dr. Andrea Caracostis, and unanimously passed that the Board approve agenda item X.B.1. through X.B.3. Motion carried.**
	3. Approval to Amend the Dedicated Protective Covenants and Restrictions to Allow Multi-Family and Blood Bank Development within a 58 Acre Tract that Includes the Holly Hall and Smith Clinic Sites	**Motion No. 23.01-09** **Moved by Ms. Jennifer Tijerina, seconded by Dr. Andrea Caracostis, and unanimously passed that the Board approve agenda item X.B.1. through X.B.3. Motion carried.**

	C. Consent Grant Agreement Recommendations	
	1. Approval of Grant Agreement Recommendations (Item D1)	**Motion No. 23.01-10** **Moved by Ms. Jennifer Tijerina, seconded by Dr. Andrea Caracostis, and unanimously passed that the Board approve agenda item X.C.1. Motion carried. Ms. Barbie Robinson recused on this matter related Harris County Public Health.**
	D. Consent Reports and Updates to Board 1. Harris Health System November 2022 and December 2022 Financial Reports Subject to Audit 2. Updates Regarding Pending State and Federal Legislative and Policy Issues Impacting Harris Health System 3. Harris Health System Council-At-Large November Meeting Minutes ***{End of Consent Agenda}***	**Informational Purposes Only**
XI. Item(s) Related to Health Care for the Homeless Program	**A.** Review and Acceptance of the Following Report(s) for the Health Care for the Homeless Program (HCHP) 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 • **HCHP January 2023 Operational Update** Dr. Jennifer Small, Executive Vice President, Ambulatory Care Services, delivered a presentation regarding the Health Care for the Homeless Program (HCHP) January 2023 Operational Update Including Patient Services, HCHP Consumer Advisory Report, Health Resources and Services Administration (HRSA) On-Site Visit (OSV), Change in Scope, HCHP Policies, Memorandum of Understanding (MOU), and Bylaws. She reported that there were 367 new adult patients and nine (9) new pediatric patients associated with the program. HCHP is expected to see approximately 9,775 patients per year as required by the Health Resources and Services Administration (HRSA). At the close of December, HCHP served 6,134 unduplicated patients. Dr. Small stated that the program fell below its annual target goal for unduplicated patients seen. She mentioned that this was attributed to provider vacancies, staff on medical leave, as well as issues with the program's dental van.	**Motion No. 23.01-11** **Moved by Dr. Ewan D. Johnson, seconded by, Mr. Lawrence Finder, and unanimously passed that the Board approve agenda item XI.A. Motion carried.**

Dr. Small stated that HCHP is exploring partnerships with other organizations, based upon the program's needs assessment, to expand the access point of entry throughout Harris County. HCHP is expected to complete a total of 22,500 patient visits and the program has successfully completed 24,772 patient visits. Dr. Small presented the data for unduplicated patients for the month by services as well the amount of completed visits by month. She noted that there was a decrease in the number of patients seen during July through December, which was attributed to the closure of several shelter sites during the holidays. Dr. Small reported that the patient visits over the past three (3) months has plateaued compared to the previous year. Dr. Caracostis inquired whether the 24,772 completed patient visits are all medical visits. Ms. Tracey Burdine, Director, Health Care for the Homeless Program, stated that it includes medical services, social work, behavioral health and psychiatry services. Dr. Caracostis recommended that the Program delineate the numbers by medical visits and other non-medical visits so that the Board can determine the productivity of physicians.

Ms. Burdine presented highlights of council activities from September 2022 – November 2022. She informed the Board of the upcoming HRSA OSV scheduled for January 31 – February 2, 2023. She urged the Board to attend the entrance and exit conferences and noted that details of the conferences will be shared with the Board. Ms. Burdine presented the following changes in scope to HCHP:

Changes in Scope for Form 5A:

1) Add diagnostic laboratory to Column III.
2) Delete diagnostic radiology from Column I and add to Column III.
3) Add coverage for emergencies during and after hours to Column III.
4) Add voluntary family planning to Column III.
5) Add prenatal care to Column III.
6) Delete intrapartum care (labor & delivery) from Column I and add to Column III.
7) Add postpartum care to Column III.
8) Add pharmaceutical services to Column III.
9) Delete occupational therapy from Column I and add to Column III.
10) Delete physical therapy from Column I and add to Column III.
11) Add nutrition to Column III.

Changes in Scope for Form 5B (effective date pending HRSA approval):

- Change at Salvation Army Adult Rehabilitation Center, 2118 Washington Avenue, Houston, Texas, 77007, from clinic open five days (40 hours) to two days (16 hours) of operation.
- Close the clinic at Salvation Army Family Residence, 1603 McGowen Street, Houston, Texas, 77004, currently open two days (16 hours) a week.

	• Change at Star of Hope Cornerstone Community, 2575 Reed Road, Houston, Texas, 77051, from clinic open five and a half days (44 hours) to five days (40 hours) of operation. • Change Star of Hope Men's Shelter, 1811 Ruiz Street, Houston, Texas, 77002, from clinic open five days (40 hours) to three days (24 hours) of operation. Ms. Burdine noted that changes in operating hours are attributed to a decrease in staffing resources and low patient census. Dr. Johnson inquired whether clinic closures would impact care to patients. Ms. Burdine shared that HRSA approved a pilot program to assess any gaps in service over a six-month period. She reported that the program's finding indicated no gaps in service. Ms. Burdine shared that the program provided cab vouchers for its patients to be transported to Harmony House, a nearby rehabilitation center. In addition, HCHP offers tele-health and virtual services. Ms. Burdine presented HCHP's new and/or amended policies, in addition to revisions to the HCHP Bylaws. A copy of the operational update is available in the permanent record.	
	B. Approval of HCHP Consumer Advisory Report (September 22 – November 22)	**Motion No. 23.01-12** **Moved by Dr. Ewan D. Johnson, seconded by, Ms. Barbie Robinson, and unanimously passed that the Board approve agenda item XI.B. Motion carried.**
	C. Approval of HCHP's Changes in Scope	**Motion No. 23.01-13** **Moved by Dr. Ewan D. Johnson, seconded by, Ms. Barbie Robinson, and unanimously passed that the Board approve agenda item XI.C. Motion carried.**
	D. Approval of the Amended HCHP Bylaws	**Motion No. 23.01-14** **Moved by Dr. Ewan D. Johnson, seconded by, Mr. Lawrence Finder, and unanimously passed that the Board approve agenda item XI.D. Motion carried.**

	E. Approval of HCHP Policies: • Referrals of Health Care for the Homeless Program Patients to Harris Health System • Referral Tracking and Follow-Up Care for Health Care for the Homeless Program • Health Care for the Homeless Program Financial and Grant Management	**Motion No. 23.01-15** **Moved by Dr. Ewan D. Johnson, seconded by, Mr. Lawrence Finder, and unanimously passed that the Board approve agenda item XI.E. Motion carried.**
	F. Approval of Memorandum of Understanding (MOU) by and between Harris County Hospital District D/B/A Harris Health System and Health Care for the Homeless Program	**Motion No. 23.01-16** **Moved by Dr. Ewan D. Johnson, seconded by, Mr. Lawrence Finder, and unanimously passed that the Board approve agenda item XI.F. Motion carried.**
XII. Executive Session	At 10:30 a.m., Dr. Arthur Bracey stated that the Board would enter into Executive Session for items "D through I" as permitted by law under Tex. Gov't Code §418.183, Tex. Gov't Code §551.071, Tex. Gov't Code §551.085, Tex. Gov't Code §551.089, Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §151.002 and Tex. Occ. Code Ann. §160.007.	
	D. Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA and Other Federal and State Healthcare Program Requirements and a Status of Fraud and Abuse Investigations, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Gov't Code §418.183, Tex. Gov't Code §551.089, Tex. Occ. Code Ann. §160.007, Tex. Occ. Code Ann. §151.002, and Tex. Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session	**No Action Taken.**
	E. Consultation with Attorney Regarding Civil Action No. 4:17-CV-2749; Kent Vaughn v. Harris County Hospital District, et al.; in the U.S. District Court, Southern District of Texas, Houston Division, Pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session	**No Action Taken.**
	F. Consultation with Attorney Regarding Collaborative Opportunities with The University of Texas M.D. Anderson Cancer Center, Pursuant to Tex. Gov't Code Ann. §551.071 and Tex. Gov't Code Ann. §551.085	**No Action Taken. Mr. Finder recused on this matter related to collaborative opportunities with M.D. Anderson.**
	G. Consultation with Attorney and Possible Action Regarding the Agreements between Harris County Hospital District Foundation and Harris Health System and Philanthropic Strategies, Pursuant to Tex. Gov't Code Ann. §551.071	**No Action Taken.**

	H. Consultation with Attorney Regarding Hospital District Police Force Legislation, Pursuant to Tex. Gov't Code Ann. §551.071	**No Action Taken.**
	I. Consultation with Attorney Regarding Correctional Health Claim; Pending or Contemplated Litigation, Pursuant to Tex. Gov't Code Ann. Section §551.071, and Possible Action Regarding this Matter Upon Return to Open Session	**No Action Taken.**
XIII. Reconvene	At 11:52 a.m., Dr. Arthur Bracey reconvened the meeting in open session; he noted that a quorum was present and that no action was taken in Executive Session.	
XIV. Adjournment	Moved by Dr. Ewan D. Johnson, seconded by Mr. Lawrence Finder, and unanimously approved to adjourn the meeting. There being no further business to come before the Board, the meeting adjourned at 11:53 a.m.	

I certify that the foregoing are the Minutes of the Harris Health System Board of Trustees Meeting held on January 26, 2023.

Respectfully Submitted,

Arthur Bracey, M.D., Chair

Andrea Caracostis, M.D., Secretary

Minutes transcribed by Cherry Pierson

Thursday, January 26, 2023
Harris Health System Board of Trustees Board Meeting – Attendance

Note: For Zoom meeting attendance, if you joined as a group and would like to be counted as present, please submit an email to: BoardofTrustees@harrishealth.org before close of business the day of the meeting.

BOARD MEMBERS PRESENT	BOARD MEMBERS ABSENT
Dr. Arthur W. Bracey *(Chair)*	Ms. Alicia Reyes
Dr. Ewan D. Johnson *(Vice Chair)*	
Dr. Andrea Caracostis *(Secretary)*	
Director Barbie Robinson	
Ms. Carol Paret	
Ms. Jennifer Tijerina	
Mr. Lawrence Finder	
Ms. Marcia Johnson	

EXECUTIVE LEADERSHIP
Dr. Esmaeil Porsa, President & Chief Executive Officer
Ms. Amy Smith, Senior Vice President, Transitions & Post-Acute Care
Mr. Anwar Siraj, Senior Vice President, Chief Health Informatics Officer
Ms. Carolynn Jones, Executive Vice President & Chief Compliance and Risk Officer
Mr. Dwight Dopslauf, Purchasing Agent, Harris County Purchasing Office
Dr. Esperanza (Hope) Galvan, Senior Vice President, Chief Health Officer
Dr. Glorimar Medina-Rivera, Executive Vice President, Ben Taub Hospital
Dr. Jackie Brock, Executive Vice President & Chief Nursing Executive
Dr. Jason Chung, Associate Chief Medical Officer & Senior Vice President, Medical Affairs and Utilization
Dr. Jennifer Small, Executive Vice President, Ambulatory Care Services
Dr. John Foringer, Chair, Medical Executive Board
Dr. Joseph Kunisch, Vice President, Quality Programs
Ms. Kari McMichael, Vice President, Controller
Dr. Kunal Sharma, Vice Chair, Medical Executive Board
Mr. Louis Smith, Senior Executive Vice President & Chief Operating Officer
Ms. Maria Cowles, Senior Vice President, Chief of Staff
Dr. Martha Mims, Chair, Medical Executive Board
Dr. Matasha Russell, Chief Medical Officer, Ambulatory Care Services
Dr. Maureen Padilla, Senior Vice President, Nursing Affairs & Support Services
Mr. Michael Hill, Executive Vice President, Chief Strategy & Integration Officer

Mr. Michael Nnadi, Senior Vice President, Chief Pharmacy & Lab Officer
Mr. Omar Reid, Executive Vice President, Chief People Officer
Dr. Otis Reggie Egins, Chief Medical Officer, Harris Health Correctional Health
Ms. Olga Llamas Rodriguez, Vice President, Community Engagement & Corporate Communications
Ms. Patricia Darnauer, Executive Vice President, Lyndon B. Johnson Hospital
Mr. Ray McComb, Chief Human Resources and Administrative Officer
Mr. Robert “King” Hillier, Vice President, Public Policy & Government Relations
Mr. Ron Fuschillo, Senior Vice President and Chief Information Officer
Mr. Sam Karim, Vice President, Project Management Office & Division Planning
Dr. Sandeep Markan, Chief of Staff, Ben Taub Hospital
Ms. Sara Thomas, Vice President Legal Affairs/Managing Attorney, Harris County Attorney’s Office
Dr. Steven Brass, Executive Vice President & Chief Medical Executive
Dr. Tien Ko, Chief of Staff, Lyndon B. Johnson Hospital
Ms. Victoria Nikitin, Executive Vice President, Chief Financial Officer

OTHERS PRESENT	
Alison Perez	Jerry Summers
Antoinette “Toni” Cotton	John Matcek
Cherry Pierson	Karen Tseng
Daniel Smith	Katie Rutherford
Derek Curtis	Matthew Schlueter
Derek Holmes	Nathan Bac
Ebon Swofford	Nicholas J Bell
Elizabeth Winn	Randy Manarang
Holly Gummert	Tai Nguyen
Jack Adgar	Tracey Burdine
Jennifer Zarate	Zubin Khambatta *(Perkins Coie LLP)*

Thursday, February 23, 2023

CEO Report

Dr. Esmaeil Porsa will introduce Tripp Umbach, Strategic Consulting Services.

Presentation:

- Economic Impact Study

ECONOMIC AND COMMUNITY IMPACTS AT A GLANCE FY22

HARRIS HEALTH SYSTEM

Tripp Umbach
Turning Ideas Into Action

29,237 jobs

Total jobs supported in Harris County from system operations.

One in every **70 jobs** held by persons in Harris County is directly or indirectly related to Harris Health.

$4.8 billion

Total economic impact in Harris County from system operations.

Every **$1** Harris Health receives in ad valorem taxes generates **$5.89** within the county's economy.

$132.9 million

Total state and local taxes generated from system operations.

Note: This number includes taxes paid by companies doing business with Harris Health as well as taxes paid by employees of the Health System and visitors from outside of Harris County.

STATE OF TEXAS

34,396 jobs

Total jobs supported throughout Texas

More than **5,000 jobs** are supported in Texas communities outside Harris County because of Harris Health's presence.

$5.7 billion

Total economic impact generated by Harris Health in Texas.

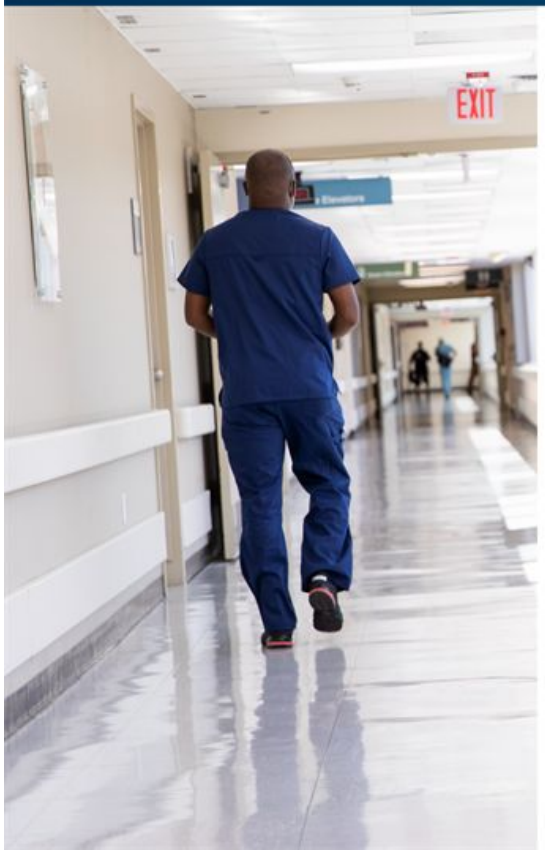
More than **$900 million** in economic impact is received by Texas communities outside Harris County because of Harris Health's operations.

$156.3 million

Total state and local taxes generated throughout Texas.

$23.4 million is generated in local tax revenue for communities outside Harris County because of Harris Health's presence.

ADDITIONAL ECONOMIC IMPACTS ATTRIBUTED TO HARRIS HEALTH'S MEDICAL SCHOOL PARTNERS



$900 million – The total annual economic impact from the 450 doctors who graduate from residency training programs yearly at Harris Health facilities that remain in Harris County to practice.

$5.1 billion – The total annual economic impact from 2,339 physicians who provide care at Harris Health facilities but are not employed directly by Harris Health.

$10.8 billion – The total annual economic impact of Harris Health when residents and physicians from partner medical schools who work at Harris Health facilities are added to Harris Health's total economic impact in Harris County.

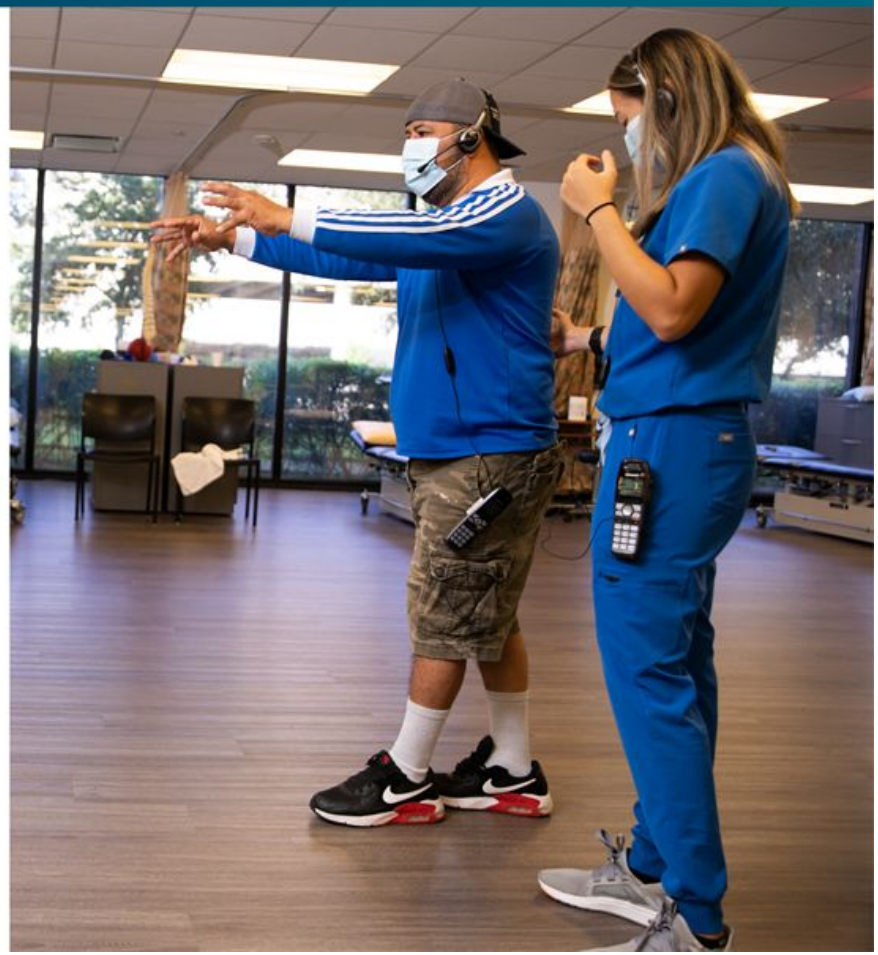
Note: *These benefits are in addition to the annual impact that Harris Health generates for Harris County and the state.*

ECONOMIC VALUE OF HEALTH STATUS IMPROVEMENT

$480 million – Economic value resulting from higher-than-average community health status resulting from Harris Health's population health programs.

$81.9 million – Economic value resulting from higher-than-average quality care at Harris Health facilities.

Note: *These benefits are in addition to the annual impact that Harris Health generates for Harris County and the state.*



VALUE OF HEALTHCARE COST SAVINGS

$1.8 billion in healthcare cost savings to Harris County taxpayers annually is attributed to Harris Health's primary care network.

$500 million in healthcare cost savings from the 150 physicians who completed training at Harris Health facilities and practiced in underserved areas within the county.

$2.3 billion in combined healthcare savings attributable to Harris Health operations and physicians who practice in underserved areas. These savings represent nearly 4 percent of the $59.7 billion spent on healthcare by Harris County residents in 2022.

$160 million underwritten by Harris Health in support of patients enrolled in Marketplace insurance program.

Note: *These benefits are in addition to the annual impact that Harris Health generates for Harris County and the state.*

VALUE OF CHARITY CARE

$795 million in charity care was provided by Harris Health in FY22.

$5.6 billion in total future downstream cost to be absorbed by Harris County taxpayers over the next five years if charity care is not provided to Harris County residents.

Note: *These benefits are in addition to the annual impact that Harris Health generates for Harris County and the state.*

CHARITABLE GIVING AND VOLUNTEERISM

$20.9 million in the total value of charitable giving and volunteerism includes:

- **$4.2 million** donated to charitable organizations by Harris Health employees
- **$16.7 million** in value of volunteer time provided to non-profit organizations by Harris Health employees

Note: *These benefits are in addition to the annual impact that Harris Health generates for Harris County and the state.*

LYNDON B. JOHNSON HOSPITAL EXPANSION

$3.3 billion in future economic impact, supporting **18,871 jobs** and generating **$48.2 million** in state and local taxes resulting from the construction of the redevelopment of LBJ Hospital.

$705 million in additional economic impact annually when the new LBJ Hospital is fully operational.

Note: *These benefits are in addition to the annual impact that Harris Health generates for Harris County and the state. Tripp Umbach projects that the new LBJ Hospital will have a more substantial economic impact when the project is completed in 2028, in the following areas: 1) Construction impacts over five years, 2) expanded operational spending and employment once the hospital is operational, and 3) significant economic development spillover in the community, which will add even more jobs and economic opportunities for Harris County residents.*

Tripp Umbach

Turning Ideas Into Action

Thursday, February 23, 2023

Special Announcement

Dr. Arthur Bracey, will Recognize Good Catch Recipients

- Judith Suckram (Outsourced Medical Services)
- Thelma George (Outsourced Medical Services)

Outsourced Medical Services (OMS)

Judith Suckram Utilization Mgmt Resource Nurse

Thelma George Social Worker Case Manager II

Helen Aneke, Director OMS

Dr. Amy Smith, SVP Trans & Post-Acute Care

HARRIS HEALTH SYSTEM | ZERO HARM

WHAT HAPPENED

Kenia Melissa S. missed two scheduled outpatient dialysis treatments after being discharged from the hospital. Missing dialysis treatments can be life threatening. To avoid interruption in the continuity of care and mitigate the risk of harm, our contracted dialysis vendor made attempts to contact her to identify why she missed her treatment and get her back on the schedule for treatment. The vendor's attempts were unsuccessful, so they escalated the matter to social worker Thelma George.

Thelma attempted to reach the patient, and when that failed, she reached out to the next of kin, who reported that she was out of the country and would not be able to reach the patient. At this time, Thelma escalated to Judith Suckram for the next steps. Thelma and Judith worked together and continued to call the patient until she was reached the same day. Thelma noted, upon telephonic conversation, that the patient exhibited troublesome symptoms. Thelma urged the Patient to call 911 but the patient was not able due to her condition.

Thelma and Judith then called the patient’s friend and asked her to check on the patient at her home. It is important to note that Kenia Melissa S. had moved to a different address of which only the friend was aware. Thelma and Judith remained on the phone with the friend who found her in an unstable condition and called 911. When the ambulance arrived, the patient was unresponsive on the restroom floor. Kenia Melissa S.is currently at Lyndon B Johnson Hospital and doing well. Thelma and Judith's determination to find the patient, and timely identification of a life-threatening condition, helped to save the patient's life.

Great Job, Thelma & Judith!

Public Comment Request and Registration Process

Pursuant to Texas Government Code §551.007, members of the public are invited to attend the regular meetings of the Harris Health System Board of Trustees and may address the Board during the **Public Comment** segment regarding an official agenda item that the Board will discuss, review, or take action upon, or regarding a subject related to healthcare or patient care rendered at Harris Health System. Public Comment will occur prior to the consideration of all agenda items. If you have signed up to attend as a Public Speaker virtually, a meeting link will be provided. Note: Public Speakers will be removed from the meeting after speaking and have the option to join the meeting live via **http://harrishealthtx.swagit.com/live**.

How to Request to Address the Board of Trustees

Members of the public must register in advance to speak at the Harris Health System Board of Trustees meetings. To register, members of the public must contact the Board of Trustees Office during core business hours, Monday through Friday between 8:00 a.m. to 5:00 p.m. Members of the public must submit the registration no later than 4:00 p.m. on the day before the scheduled meeting and may only register in one of the following manners:

1. Providing the requested information located in the "Speak to the Board" tile found at: https://www.harrishealth.org/about-us-hh/board/Pages/public-comment-request-and-registration-process.aspx.
2. Printing and completing the downloadable registration form found at: https://www.harrishealth.org/about-us-hh/board/Pages/public-comment-request-and-registration-process.aspx.
   2a. A hard-copy may be scanned and emailed to BoardofTrustees@harrishealth.org.
   2b. Mailing the completed registration form to 4800 Fournace Pl., Ste. E618, Bellaire, TX 77401.
3. Contacting staff at (346) 426-1524.

Prior to submitting a request to address the Harris Health System Board of Trustees, please take a moment to review the rules to be observed during the Public Comment Period.

Rules During Public Comment Period

The presiding officer of the Board of Trustees or the Board Secretary shall keep the time for speakers.

Three Minutes

A speaker, whose subject matter, as submitted, relates to an identifiable item of business on the agenda, will be requested by the presiding officer to come to the podium where they will be provided three (3) minutes to speak. A speaker, whose subject matter, as submitted, does not relate to an identifiable item of business on the agenda, will also be provided three (3) minutes to speak. A member of the public who addresses the body through a translator will be given at least twice the amount of time as a member of the public who does not require the assistance of a translator.

Thursday, February 23, 2023

Executive Session

Report Regarding Quality of Medical and Healthcare, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002 to Receive Peer Review and/or Medical Committee Report, Including Report of the Medical Executive Board in Connection with the Evaluation of the Quality of Medical and Healthcare Services, Including the Harris Health System Quality, Safety Performance Measures and Zero Harm, and Possible Action Regarding this Matter Upon Return to Open Session

- Pages 35 - 38 Were Intentionally Left Blank -

Thursday, February 23, 2023

Executive Session

Medical Executive Board Report and Credentialing Discussion, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002 to Receive Peer Review and/or Medical Committee Report, Including Consideration of Approval of Credentialing Changes for Members of the Harris Health System Medical Staff

- Pages 40 - 49 Were Intentionally Left Blank -

Thursday, February 23, 2023

Executive Session

Report Regarding Harris Health System Correctional Health Quality of Medical and Healthcare, Including Credentialing Discussion and Operational Updates, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, Tex. Occ. Code Ann. §151.002 and Tex. Gov't Code Ann. §551.071 to Receive Peer Review and/or Medical Committee Report with Possible Action Upon Return to Open Session

Board of Trustees Meeting

HARRISHEALTH SYSTEM

February 2023 Correctional Health Credentials Report

Board of Trustees Meeting

HARRISHEALTH SYSTEM

February 2023 Correctional Health Credentials Report
Medical Staff Initial Appointments

Provider ID	Last Name	First Name	Degree	Assignment
030831	Reed	Brian	MD	Family Medicine
443750	Anazodo	Nwachukwu	NP	Family Medicine
443735	Anozie	Akwango	NP	Family Medicine
040058	Babalola	Elizabeth	NP	Family Medicine
047379	Brown	Leesa	NP	Family Medicine
443749	Oni	Peter	NP	Family Medicine
443960	Osaghae	Sonny	NP	Family Medicine
443822	Owolabi	Sandra	NP	Family Medicine
444435	Pounds	Shankeva	NP	Family Medicine
440115	Garrison	Keith	MD	Internal Medicine
436463	Abass	Jeffrey	MD	Psychiatry
004929	Bickham	Jacqueline	MD	Psychiatry
443549	Georges	Danae	MD	Psychiatry
443556	Janarthanan	Vasanthi	MD	Psychiatry
048103	Kazakevich	Natalie	MD	Psychiatry
039784	Lluberes-Rincon	Nubia	MD	Psychiatry
053959	Rahmaan-Russell	Kameelah	DO	Psychiatry
038944	DeJean	Guerline	NP	Psychiatry
443634	Ihaza	Kenneth	NP	Psychiatry
443491	John	Lenia	NP	Psychiatry
443492	Ledet-Hurd	Dana	NP	Psychiatry
443495	Omoregbe	Lovely	NP	Psychiatry
443507	Onuoha	Adaobi	NP	Psychiatry

Total Medical Staff Initial Appointments: 23

Applicant Name: _____

☐ **Initial Application** ☐ **Reappointment Application**

All new applicants must meet the following requirements as approved by the governing body effective: _____/_____/_____.

If any privileges are covered by an exclusive contractual agreement, dentists who are not a party to the contract are not eligible to request the privilege(s), regardless of education, training, and experience. Exclusive contracts are indicated by [EC].

Applicant: Check the "Requested" box for all privileges requested. Applicants have the burden of producing information deemed adequate by the hospital for a proper evaluation of current competence, current clinical activity, and other qualifications and for resolving any doubts related to qualifications for requested privileges.

Chief Medical Officer/Medical Director: Check the appropriate box for recommendation on the last page of this form. If recommended with conditions or not recommended, provide condition or explanation on the last page of this form.

Other Requirements:

1. Note that privileges granted may only be exercised at the site(s) and/or setting(s) that have the appropriate equipment, license, beds, staff, and other support required to provide the services defined in this document. Site-specific services may be defined in hospital or department policy.
2. This document is focused on defining qualifications related to competency to exercise clinical privileges. The applicant must also adhere to any additional organizational, regulatory, or accreditation requirements that the organization is obligated to meet.

QUALIFICATIONS FOR DENTISTRY

To be eligible to apply for core privileges in dentistry, the initial applicant must meet the following criteria:

Successful completion of an American Dental Association-approved school of dentistry accredited by the Commission of Dental Accreditation.

Reappointment Requirements: To be eligible to renew core privileges in dentistry, the applicant must meet the following maintenance of privilege criteria:

Current demonstrated competence and an adequate volume of experience (**200** dental outpatient, emergency service, or consultative procedures) with acceptable results, reflective of the scope of privileges requested, during the past 24 months based on results of ongoing professional practice evaluation and outcomes. Evidence of current ability to perform privileges requested is required of all applicants for renewal of privileges.

Applicant Name: _____

DENTISTRY CORE PRIVILEGES

Consult, evaluate and diagnose the oral health needs of patients and provide general dental care services which involve the prevention and treatment of a variety of conditions, disorders and diseases affecting the teeth, gums and jaws. Provide dental care for:

1. Patients, 17 years of age and older.

Dentistry Core Procedures List

This list is a sampling of procedures included in the core. This is not intended to be an all-encompassing list but rather reflective of the categories/types of procedures included in the core:

1. Clinical oral examination, diagnosis, treatment and follow-up care
2. Patient consultation and treatment planning
3. Diagnostic x-rays, including panorex, bitewings and periapicals
4. Prophylaxis and preventive services
5. Operative dentistry, endodontics, simple extraction (3rd molar excluded), periodontal services, prosthodontic service
6. Prophylaxis
7. Fluoride application
8. Extractions, not to include 3rd molars
9. Simple periodontal procedures
10. Simple endodontics, not to include molar teeth
11. Dental Diagnostic x-ray

☐ **Dentistry Core Privileges Requested**

ACKNOWLEDGEMENT OF PRACTITIONER

I have requested only those privileges for which by education, training, current experience, and demonstrated performance I am qualified to perform and for which I wish to exercise at Harris Health System Correctional Health and I understand that:

a. In exercising any clinical privileges granted, I am constrained by Hospital and Medical Staff policies and Rules & Regulations applicable generally and any applicable to the particular situation.

b. Any restriction on the clinical privileges granted to me is waived in an emergency situation and in such situation my actions are governed by the applicable section of the Correctional Health Medical Staff Bylaws or related documents.

Signature _____**Date**_____

Applicant Name: _____

Chief Medical Officer/Medical Director

I have reviewed the requested clinical privileges and supporting documentation for the above-named applicant and make the following recommendation(s):

☐ **Recommend all requested privileges**
☐ **Recommend privileges with the following conditions/modifications:**
☐ **Do not recommend the following requested privileges:**

Privilege	**Condition/Modification/Explanation**
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

I recommend that the above-named applicant be considered for Dentistry Privileges.

Notes

_____
_____
_____

Chief Medical Officer/Medical Director

Name: _____

Signature: _____

Date: _____

Thursday, February 23, 2023

Consideration of Approval Regarding Credentialing Changes for Members of the Harris Health System Medical Staff

The Harris Health System Medical Executive Board approved the attached credentialing changes for the members of the Harris Health System Medical Staff for February 2023.

The Harris Health System Medical Executive Board requests the approval of the Board of Trustees.

Board of Trustees Meeting

February 2023 Medical Staff Credentials Report

HARRISHEALTH SYSTEM

Medical Staff Initial Appointments: 25

BCM Medical Staff Initial Appointments-11

UT Medical Staff Initial Appointments - 14

Medical Staff Reappointments: 55

BCM Medical Staff Reappointments - 25

UT Medical Staff Reappointments - 28

Harris County Hospital District (Harris Health) Medical Staff Reappointments - 2

BCM/UT/Harris County Hospital District (Harris Health) Medical Staff Changes in Clinical Privileges: 2

Medical Staff Resignations: 4

BCM Medical Staff Resignations- 3

UT Medical Staff Resignations- 1

BCM/UT/Harris County Hospital District (Harris Health) Medical Staff Files for Discussion: 5

Medical Staff Initial Appointment Files for Discussion - 2

Medical Staff Reappointment Files for Discussion - 2

Other Files for Discussion - 1

Thursday, February 23, 2023

Staffing Advisory Committee's Semi-Annual Evaluation of the Nurse Staffing Plan & Aggregate Staffing Variance

In accordance with Harris Health System policy and Department of State Health Services, Title 25, Texas Administrative Code, §133.41(f) and (o); the Staffing Advisory Committee reports semi-annually to the Board of Managers its evaluation of the effectiveness of the official nursing services staffing plan and aggregate staffing variance.

Harris Health System Board of Trustees
Staffing Advisory Committee Initial Evaluation of the FY23 Nurse Staffing Plans
Summary

Board Date: February 23, 2023

I. Overview

Annually, Harris Health System Nursing Services plan for the adequate number of nurses and support staff for each nursing service provided. The staffing plan is based on historical data; projections for future program development and expansion; and the Staffing Advisory Committee's input into the needs of patients, the unit and nursing staff. The plan takes into account patient census, scope of services provided on the unit; severity of illness and intensity of care; geographical layout of the unit; skill mix; and competency and experience of the nurses.

II. FY 2023 Staffing Plans

The table below shows our RN to patient ratios. These ratios are consistent with community and national standards. The unlicensed assistive personnel ratios vary based on census, the patient population served, and the needs of the patients.

Patient Care Area	Charge Nurse	RN to Patient Ratio	Unlicensed Personnel	Clerical
Intensive Care	1	1:1-2	1:5-10	1
Coronary Care	1	1:1-2	1:5-10	1
Intermediate Care	1	1:3-4	1:5-10	1
Specialty Care	1	1:3-4	1:5-10	1
Medical/Surgical	1	1:5	1:5-10	1
Labor & Delivery	1	1:1-2	1	1
Perinatal Special Care		1:3		
Postpartum Couplets	1	1:3-4 couplets	1	1
Level III Nursery: Neonatal ICU	1	1:2		1
Level II Nursery	1	1:3-4		1
Psychiatry	1	1:6	1:5-6	
IMU/Med Surg/Tele Units	1	1:4-5	1:8-9	1
Operating Services	Follows The Association of periOperative Registered Nurses (AORN) Staffing Guidelines			

III. Evaluation of the Nurse Staffing Plans – October 2022

A. Ben Taub Hospital

Evaluators	Total Surveyed	Total Respondents	Response Rate	% Strongly agree or agree	% Disagree or strongly disagree*
Nurse Clinician members	14	14	100%	82%	17% - Disagreed
					1% – Strongly disagreed

B. Lyndon B. Johnson Hospital

Evaluators	Total Surveyed	Total Respondents	Response Rate	% Strongly agree or agree	% Disagree or strongly disagree
Nurse Clinician members	14	14	100%	78%	11% - Disagreed
					11% – Strongly disagreed

*Elements with the highest level of disagreement were "There is a general sense of adequate staffing" and "The staffing plan takes into account relevant unit characteristics."

IV. Year-to-Date Aggregate Staffing Variance

(As of Pay Period Ending 10/08/2022)

	Actual FTEs Worked	Budgeted FTEs Flexed	FTE Variance
BT – Nursing Services	1472.5	1523.8	51.3
LBJ – Nursing Services	895.2	972.1	76.9

V. Patient Care Outcomes

The Committee looked at nursing units that were struggling month-to-month to reach their target *patient satisfaction with nursing* HCAHPS score. A correlation analysis between the scores and hours per patient day was conducted. There was no statistically significant correlation between the two.

Thank you.

Thursday, February 23, 2023

Consideration of Approval Regarding Credentialing Changes for Members of the Harris Health System Correctional Health Medical Staff

Board of Trustees Meeting

HARRISHEALTH SYSTEM

February 2023 Correctional Health Credentials Report

Medical Staff Initial Appointments: 23

Other Business: New Clinical Privileges

Dentistry Clinical Privileges

Thursday, February 23, 2023

Consideration of Approval of New Harris Health System Correctional Health Clinical Privileges

The Harris Health System Correctional Health Medical Executive Committee approved the new Harris Health System Correctional Health Clinical Privileges:

- Dentistry

The Harris Health System Medical Executive Committee requests the approval of the new Harris Health System Correctional Health Clinical Privileges listed above.

Board of Trustees Meeting

HARRISHEALTH SYSTEM

February 2023 Correctional Health Clinical Privileges Report

Other Business: New Clinical Privileges
Dentistry Clinical Privileges

Applicant Name: _____

☐ **Initial Application** ☐ **Reappointment Application**

All new applicants must meet the following requirements as approved by the governing body effective: _____/_____/_____.

If any privileges are covered by an exclusive contractual agreement, dentists who are not a party to the contract are not eligible to request the privilege(s), regardless of education, training, and experience. Exclusive contracts are indicated by [EC].

Applicant: Check the "Requested" box for all privileges requested. Applicants have the burden of producing information deemed adequate by the hospital for a proper evaluation of current competence, current clinical activity, and other qualifications and for resolving any doubts related to qualifications for requested privileges.

Chief Medical Officer/Medical Director: Check the appropriate box for recommendation on the last page of this form. If recommended with conditions or not recommended, provide condition or explanation on the last page of this form.

Other Requirements:

1. Note that privileges granted may only be exercised at the site(s) and/or setting(s) that have the appropriate equipment, license, beds, staff, and other support required to provide the services defined in this document. Site-specific services may be defined in hospital or department policy.
2. This document is focused on defining qualifications related to competency to exercise clinical privileges. The applicant must also adhere to any additional organizational, regulatory, or accreditation requirements that the organization is obligated to meet.

QUALIFICATIONS FOR DENTISTRY

To be eligible to apply for core privileges in dentistry, the initial applicant must meet the following criteria:

Successful completion of an American Dental Association-approved school of dentistry accredited by the Commission of Dental Accreditation.

Reappointment Requirements: To be eligible to renew core privileges in dentistry, the applicant must meet the following maintenance of privilege criteria:

Current demonstrated competence and an adequate volume of experience (**200** dental outpatient, emergency service, or consultative procedures) with acceptable results, reflective of the scope of privileges requested, during the past 24 months based on results of ongoing professional practice evaluation and outcomes. Evidence of current ability to perform privileges requested is required of all applicants for renewal of privileges.

Applicant Name: _____

DENTISTRY CORE PRIVILEGES

Consult, evaluate and diagnose the oral health needs of patients and provide general dental care services which involve the prevention and treatment of a variety of conditions, disorders and diseases affecting the teeth, gums and jaws. Provide dental care for:

1. Patients, 17 years of age and older.

Dentistry Core Procedures List

This list is a sampling of procedures included in the core. This is not intended to be an all-encompassing list but rather reflective of the categories/types of procedures included in the core:

1. Clinical oral examination, diagnosis, treatment and follow-up care
2. Patient consultation and treatment planning
3. Diagnostic x-rays, including panorex, bitewings and periapicals
4. Prophylaxis and preventive services
5. Operative dentistry, endodontics, simple extraction (3rd molar excluded), periodontal services, prosthodontic service
6. Prophylaxis
7. Fluoride application
8. Extractions, not to include 3rd molars
9. Simple periodontal procedures
10. Simple endodontics, not to include molar teeth
11. Dental Diagnostic x-ray

☐ **Dentistry Core Privileges Requested**

ACKNOWLEDGEMENT OF PRACTITIONER

I have requested only those privileges for which by education, training, current experience, and demonstrated performance I am qualified to perform and for which I wish to exercise at Harris Health System Correctional Health and I understand that:

a. In exercising any clinical privileges granted, I am constrained by Hospital and Medical Staff policies and Rules & Regulations applicable generally and any applicable to the particular situation.

b. Any restriction on the clinical privileges granted to me is waived in an emergency situation and in such situation my actions are governed by the applicable section of the Correctional Health Medical Staff Bylaws or related documents.

Signature _____**Date**_____

Applicant Name: _____

Chief Medical Officer/Medical Director

I have reviewed the requested clinical privileges and supporting documentation for the above-named applicant and make the following recommendation(s):

☐ **Recommend all requested privileges**
☐ **Recommend privileges with the following conditions/modifications:**
☐ **Do not recommend the following requested privileges:**

Privilege	**Condition/Modification/Explanation**
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

I recommend that the above-named applicant be considered for Dentistry Privileges.

Notes

_____
_____
_____

Chief Medical Officer/Medical Director

Name: _____

Signature: _____

Date: _____

Thursday, February 23, 2023

Consideration of Approval of Agreement between Harris Health and CHS Care TX, LLC d/b/a YesCare for Correctional Health Staffing Services

Management requests approval of an agreement between the Harris County Hospital District d/b/a Harris Health System and CHS Care TX d/b/a YesCare for the purpose of providing qualified medical professionals to perform medical screening during the intake of persons brought to the Harris County Joint Processing Center. YesCare's sole line of business is correctional health, and it has over 40 years' experience sourcing physicians, advanced practice providers, nurses and medical assistants to work in correctional health care environments. The proposed agreement would obligate YesCare to recruit and assign the following professionals to Harris Health:

- 28 Registered Nurses
- 31 Licensed Vocational Nurses
- 8 Medical Assistants
- 8 Medical Doctors and
- 14 Advanced Practice Professionals (4 per shift)

These professionals would staff the Joint Processing Center in three shifts to ensure that providers are available 24 hours per day, 7 days per week, 365 days per year. Harris Health anticipates that the use of YesCare will enable Harris Health to reduce its reliance on other staffing agencies – whose rates are higher – and to satisfy National Commission on Correctional Healthcare Standard J-E-02.

Harris Health is still in active negotiations with YesCare on certain costs, but has tentatively budgeted $17,500,000 to compensate YesCare for services performed through September 30, 2023, and the entirety of this amount is available from payments that Harris County makes to Harris Health under the Interlocal Cooperation Contract for Correctional Health Services. No Harris Health employee, including those currently assigned to the Joint Processing Center, will be terminated as a result of this agreement. Instead, these employees will be transitioned to another area within the correctional health environment. Further, applicants for correctional health positions will continue to be recruited, interviewed and hired for all positions that are or may become available within Correctional Health.

Thursday, February 23, 2023

Consideration of Approval of the Harris Health System Investment Policy

The Harris Health System Investment Policy is adopted annually by the Harris Health System Board of Trustees as the governing body pursuant to Chapter 2256 of the Texas Government Code, "Public Funds Investment Act." Harris County recently modified their policy to include the updates summarized below. The attached policy includes changes applicable to Harris Health and related to the sections addressed below. Administration has reviewed the policy and recommends the updates.

Section 5.02: Maturity:

The following changes were made to this section to be in alignment with the Harris County Investment Policy effective October 1, 2022: (a) updated the maximum maturity for the Debt Service Funds and the General Concentration Pool from three years to five years; and (b) renamed the "Custodial and Fiduciary Funds" the "Mobility & Infrastructure" funds and updated the maturity from three to five years.

Exhibit "C" Approved Broker/Dealers, Money Market Funds, and Investment Pools for the Investment of Harris Health and CHC Funds:

Updated the reference to Harris County's Investment Policy to the "most recently approved" rather than the specific date of the policy.

Administration recommends that the Board approve the updated Harris Health System Investment Policy to be effective March 1, 2023.

BOARD OF TRUSTEES

Meeting of the Board of Trustees

HARRISHEALTH SYSTEM

Thursday, February 23, 2023

Consideration of Approval of Revisions to Harris Health Board of Trustees Bylaws

Consideration of Approval of Revisions to Harris Health System Board of Trustees Bylaws

February 23, 2023

Pursuant to 42 CFR 482.12, which is the CMS Condition of Participation applicable to the Governing Body, "There must be an effective governing body that is legally responsible for the conduct of the hospital." Policies and procedures, including the Governing Body's Bylaws must describe and be timely updated with current practices to evidence compliance with the CMS Condition of Participation. We recommend that the Board accept the proposed revisions to Bylaws which reflect current practice, law and policies. The recommended revisions also align with the most recent version of the Harris Health System Medical Staff Bylaws, Quality Governance structures, and are reflective with updated contractual arrangements including those with our medical school partners and with Harris County for the provision of healthcare services at the jail.

Further substantive revisions to the Bylaws may be considered by the Board or the Governance Committee in 2023 or later.

Summary of Proposed Revisions

- Definitions: Removal of the definitions and referral to the definitions in the Medical Staff Bylaws.
- Purposes: Addition of "and to improve health disparities through quality care delivery, coordination of care, and education and research."
- Principles, Policies, and Procedures: Article II Principles, Policies and Procedures has been deleted as the Board's role with respect to policies is addressed in the new Article II, Board Duties. Addition of "to determine need for and to establish policies for the governance of Harris Health and to review and approve system level policies that involve substantive changes to the organization's objectives and goals, mission and vision, and compliance with laws and regulation." *This change makes the language consistent with Harris Health System policy 3.01, Policies and Procedures.*
- Article II: Duties of the Board - Additions to the duties of the Board to include governance and oversight and the addition to the performance of duties prescribed by regulations, policies, contractual agreements, and the Strategic Plan.
    - Duties with respect to policies was added for consistency with *Harris Health System policy 3.01, Policies and Procedures.*
    - Additions for approval of the budget, availability and public comment regarding the budget.
    - Addition for contract approval to include consistency with adopted purchasing policies.
    - Addition of ensuring high quality and safe patient care and reporting to the Board. *This change is to reflect the actual reporting structure.*
    - Addition to include approval of Correctional Health Quality Manual.
    - Change from annual to bi-annual review of executive positions and salaries to align with engagement of executive compensation review firm bi-annually.
    - Addition of Board appointment of "affiliated entities," "Riverside Dialysis Center," and "or other boards as applicable."
    - Addition of "To delegate responsibilities to Standing and Special Committees, where authorized and approved by the Board."

- Article III: Membership of the Board - Appointment and Reappointment - addition of "pursuant to the policies and procedures for appointments to County boards and commissioners…"
- Article III: Membership of the Board - Ethical Standards – addition of "Each board member shall, upon appointment and on a continuing basis, and in consultation with the Harris County Attorney's Office, provide a financial affidavit and conflict of interest disclosure statement with the Board Office, in accordance with *Harris Health Policy 3.43, Board of Trustees Member Conflict of Interest and Nepotism Policy*, which shall be maintained by the Board Office."
- Article V: Officers - Election – addition of "except such elected officers' terms for the stub fiscal year of 2022 shall be extended through the end of fiscal year of 2023. Such extension shall constitute a one-year term for purposes provided herein." Addition of "serve in." Addition of "Officers shall participate as members of the CEO Evaluation Advisory workgroup and make recommendations to the Board on CEO Evaluation and compensation." *This is reflective of current practice.*
    - Duties of the Chair – deletion of the Chair appointing special committees. Clarification that the Board must approve Chair's appointment of members to committees.
    - Duties of Vice Chair – addition of "conflict of interest."
    - Duties of Secretary – addition of "his or her designee." Addition of 72 hour notice of meetings and deletion of mail, hand deliver or facsimile notice.
- Article VI: Board Committees - Board Committees and Appointment of Members – change from fiscal year to "new calendar" year "by approval of the Board calendar." Change Chair to "non-voting" member of committees. *This change is in alignment with edits to Committee charters*,
- Article VI: Board Committees - Committee Meetings; Quorum; Notice – Change from majority voting members to "two" voting members for a quorum and add that "other Board members in attendance at the meeting shall be deemed to serve on the committee for that meeting and such designated member or members shall be included in the calculation of the quorum and shall have voting power.*" Allows for flexibility to establish quorum for committee with Board Chair and other non-committee board members.*
- Article VII: Board Meetings - Quorum –Clarification that a majority of the Board members must attend a meeting in person to constitute quorum for the transaction of business even if others participate via videoconference under the Texas Open Meetings Act. Addition of language regarding recess until quorum is present. Addition of language that matters before the Board are decided by an affirmative vote of the majority of Board members present and voting at the meeting where a quorum exists.
- Article VII: Board Meetings - "Hear from Citizens" changed to "Public Comment." Changes to that section address registration for public comment via the website and allowing the registered speaker to address either an agenda item or generally the business of Harris Health. *The law only allows public comment on an agenda item, but Harris Health allows comment on matters concerning the business of Harris Health.*
- Article VII: Board Meetings - Addition of "Executive Session" paragraph to include "The Board may enter into executive session after establishing a quorum and announcing that an executive session will be held in accordance with the policies and procedures of the Board and in compliance with the requirements set forth in the Texas Open Meetings Act."
- Article VIII: Procedure for Meetings – Regular Meetings - Added "Strategic items" and "Consideration of approval of purchasing recommendations."
- Article VIII: Procedure for Meetings - Special or Emergency Meetings – Added "emergency meeting."
- Article IX: Medical Staff - Board Meeting Attendance - deletion of representative of Affiliated Medical Services and deletion of conflicts with MEB and policy. *Reflects current state of separate agreements with UT Health and BCM medical schools.*

- Article X: Administrative Staff - Change from annual to bi-annual submission of staff organization and salary structure to the Board. *Outside compensation firms are only engaged bi-annually for Executive Compensation review*. Addition of reference to contracted services provided at the Harris County jail. Reference to *Harris Health Policy 3.06, Delegation of the Duties of the President and Chief Executive Officer* regarding instances of the CEO incapacity.
- Article XIII: Requests for Information – Clarification that Harris Health's Public Information Officer be notified of TPIA requests received by a Board member. Deletion of paragraph regarding removal of records.
- Article XIV: Board Statements: Remove "Policy" from the title. Addition of reference to the Standard Operation Procedures approved by the Board.
- Article XVI: Amendments - Review of Bylaws - Change from 2 years to 3 years and addition of "or earlier if deemed necessary by a majority of the Board members." *Recommended extension of time because Governance Committee can review Bylaws per Committee charter*
- Article XVII: Amendments - Conflict – addition of "declared unenforceable."

BYLAWS OF THE BOARD OF TRUSTEES
HARRIS COUNTY HOSPITAL DISTRICT
D/B/A HARRIS HEALTH SYSTEM
HOUSTON, TEXAS
February _, 2023

PREAMBLE

The Harris County Hospital District d/b/a/ Harris Health System ("Harris Health") is a political subdivision of the State of Texas established and operated pursuant to the constitution and laws of the State of Texas, in particular Chapter 281, Texas Health & Safety Code, as amended ("the Act"). Therefore, the Act and all other applicable state laws are included in these Bylaws to the extent necessary for the purpose of clarification. In the event of any conflict between any provision of these Bylaws and any state law, state law shall control. In order to provide for the orderly implementation of the statutes authorizing Harris Health, the Board of Trustees of Harris Health ("the Board") adopts the following Bylaws pursuant to the Act.

DEFINITIONS

The following terms are defined in accordance with the Harris Health Medical Staff Bylaws and are incorporated herein as if fully set forth at length: Advanced Practice Professional ("APP"), Attending Staff, Contract Practitioner, Medical Executive Board ("MEB") and Medical Staff. Whenever the context requires, words of one gender used herein shall include the other gender, and words used in the singular shall include the plural.

1. The term "**Advanced Practice Professional" or "APP**" means an individual who holds a state license in their profession as well as other educational credentials attesting to training and qualifications to provide services in accordance with the categories in the Medical Staff Bylaws, in one or more of the following categories: Physician Assistant, Certified Registered Nurse Anesthetist, Nurse Practitioner or Clinical Nurse Specialist, Optometrist, Certified Nurse Midwife, Clinical Psychologist, Registered Dietitian, and Clinical Pharmacist. APPs are not members of the medical staff, but provide clinical services to Harris Health patients. APPs holding clinical privileges shall have their privileges or practice prerogatives reviewed and approved through the same mechanism as Medical Staff members.

2. The term "**Attending Staff**" shall mean all Medical Staff as defined in the Medical Staff Bylaws.: (1) holding faculty appointments at The University of Texas Health Science Center at Houston and/or Baylor College of Medicine; (2) employed by Harris Health; or (3) Contract Practitioners; and approved by the credentialing mechanisms of Harris Health. means all Medical Staff holding faculty appointments at The University of Texas Health Science Center at Houston and/or Baylor College of Medicine and approved by the credentialing mechanisms of Harris Health. Medical school faculty appointment status is not required for medical staff members employed by Harris Health or for Contract Practitioners.

3. The term "**Contract Practitioner**" means, unless otherwise expressly limited, all physicians, podiatrists, or dentists who are appointed to the Medical Staff as defined in the Medical Staff Bylaws. and (i) whose patient care services are contracted for by Harris

~~Health and are performed within Harris Health facilities; (ii) do not hold a faculty appointment at Baylor College of Medicine and/or The University of Texas Health Science Center at Houston; and (iii) are not employed by Harris Health to provide healthcare services at designated Harris Health facilities.~~

~~4. The term "**Medical Executive Board**" or "**MEB**" means the committee with authority to exercise medical governance of the Medical Staff and as further defined in the Medical Staff Bylaws.~~

~~5. The term "**Medical Staff**" means all physicians, dentists, podiatrists, and oral maxillofacial surgeons who are appointed to the Medical Staff and as defined in the Medical Staff Bylaws.to provide healthcare services at designated Harris Health facilities and who (i) hold a faculty appointment at Baylor College of Medicine and/or The University of Texas Health Science Center at Houston, or (ii) are employed by Harris Health, or (iii) are Contract Practitioners.~~

~~6. The term "**Medical Staff Bylaws**" means a document adopted by the voting members of the Medical Staff and approved by the Board of Trustees that defines: the rights, responsibilities, and accountabilities of the Medical Staff and various officers, persons, and groups, including Contract Practitioners, and Advanced Practice Professionals; the self-governance functions of the organized Medical Staff; and the working relationship with and accountability to the Board of Trustees for the quality of care provided to the patients of Harris Health.~~

ARTICLE I

PURPOSES

Harris Health acknowledges these purposes, each subject to funding and resource availability:

1. To provide medical, including dental, aid and hospital care for indigent and needy persons residing in Harris County, Texas.

2. To improve the health of those most in need in Harris County and to reduce health disparities ~~.~~through quality care delivery, coordination of care, education and research.

3. To facilitate the coordination of publicly funded health services in Harris County.

4. To facilitate the provision of health services on a regional basis when the need is identified.

5. To support research and education that enhances health care and treatment in the Harris County community. ~~and Harris Health.~~

6. To provide emergency services to those who present themselves in accordance with federal and state law, e.g., the Emergency Medical Treatment and Active Labor Act, as amended.

~~**ARTICLE II**~~

~~**PRINCIPLES, POLICIES, AND PROCEDURES**~~

1. ~~In the fulfillment of Harris Health's purposes, these Bylaws recognize three levels of authority:~~

~~2. Principles~~

~~Principles are those general areas in which applicable laws govern the operation of Harris Health.~~

~~3. Policies~~

~~Policies are statements by the Board of the general courses of action for Harris Health and instructions for the direction and operation of Harris Health.~~

~~4. Procedures~~

~~Procedures are statements of specific rules through which successful performance and adherence to policies are accomplished in the day-to-day operation of Harris Health.~~

~~The Board will concern itself primarily with matters of policy; It will delegate the administrative responsibilities, including the establishment of Procedures, to the President and Chief Executive Officer (referred to as Administrator under the Act) ("CEO"), who shall be appointed by the Board in accordance with Article XI herein.~~

Commented [TLS1]: Board's role with respect to Policies is addressed in new Article II section 2 and language is consistent with System Policy 3.01.

~~ARTICLE III~~ ARTICLE II

DUTIES OF THE BOARD

The Board is the governing body of Harris Health, charged with governance and oversight of the health system.~~,~~ It shall perform those duties prescribed by law, regulations,~~,~~ ~~assigned by the Commissioners Court of Harris County,~~ policies, contractual agreements, the strategic plan, ~~,~~ or as provided in these Bylaws. These duties include, but are not limited to, the following:

1. To ensure the ability of Harris Health to accomplish its mission and plan for achievement of Harris Health's Strategic Plan.~~vision.~~

2. To determine the need for and to establish policies for the governance ~~operation~~ of Harris Health and to review and approve system level policies that involve substantive changes to the organization's objectives and goals, mission and vision, and compliance with laws and regulations. ~~in accordance to~~with ~~the standards outlined in Harris Health olicy Policies and Procedures.~~

    a. The Board may seek advice from whatever sources it deems advisable in formulating policies.

b. Subject to the limitations prescribed by the Board, the CEO shall direct, supervise, and administer the affairs of Harris Health~~, in accordance with the policies, including the preparation and establishment of Procedures.~~

3. To oversee the financial well-being of Harris Health.

   a. The Board shall approve an annual budget and any budget revisions and submit the budget and any such revisions to the Commissioners Court for final approval. Prior to taking action to approve the budget, the Board shall make the budget available to the public in accordance with the requirements of the Texas Open Meetings Act and Texas Public Information Act and allow for public comment on the budget. ~~the submission of the budget to Commissioners Court, the Board shall make the budget available to the public via the Harris Health webpage, and not less than ten (10) working days thereafter, the Board shall hold one (1) or more hearings to accept public comments on the budget.~~

   b. The Board shall approve an annual capital expenditure plan and from time to time may consider and approve long term capital expenditure plans.

   c. The Board shall engage an ~~outside~~ external independent auditor to perform an annual financial audit of Harris Health for presentation to the Board and to be made available to the Commissioners Court and the public.

   d. The Board shall select the depository or depositories for Harris Health's funds.

   e. The Board shall exercise custody of all of Harris Health's property~~.~~

   f. The Board shall consider for approval all contracts for which such approval authority is required and that is consistent with adopted purchasing policies.

   g. The Board shall approve the use of all bond funds for Harris Health.

4. To employ and annually evaluate the CEO and set the CEO's annual salary as described in his/her employment agreement~~, if any.~~

5. To ensure that there is an appropriate structure in place that strives for the rendering of ~~to ensure that~~ high quality and safe patient care and ensure ~~is rendered including~~ a ~~Chief~~ Medical Executive ~~Officer~~ ("CME~~O~~") for all of Harris Health's hospitals, clinics, and other medical facilities, who oversees all clinical activities, to include quality and patient safety, and who reports to ~~the Board and~~ the CEO and provides regular reporting to the Board ~~or his/her designee~~ on all matters relating to such oversight responsibilities.

6. To approve and oversee the process of credentialing, privileging, and evaluating the Medical Staff, and APPs to assure the appropriate provision of health care throughout Harris Health.

Commented [TLS2]: This time limit is not applicable to hospital districts under state law.

Commented [TLS3]: Reflects actual reporting structure

7. To review, approve, and monitor Harris Health's Quality Manual, Harris Health's Correctional Health Quality Manual and Patient Safety Plan annually to further Harris Health's mission of providing high quality patient care.

8. To review the Board's performance annually.

9. To review bi-annually information about administrative organization and executive positions and salaries provided to the Board by the CEO as stated in Article X~~I~~, Section 1.c of these Bylaws.

10. To consult directly by meeting regularly with the CME~~O~~ and the Chair of the MEB for the purpose of discussing matters related to the quality of medical care provided to patients. Such consultation shall include responding to any urgent requests from the CME~~O~~ and/or the Chair of the MEB to meet regarding quality of medical care issues.

11. To annually appoint members whose terms have expired and to fill vacancies, as prescribed by the respective bylaws of all affiliated entities including: ~~of each of the following entities:~~ to the Board of Directors of Community Health Choice, Inc. and Community Health Choice, Texas Inc.; to the governing body of the Ambulatory Surgical Center at LBJ; to the governing body of the Riverside Dialysis Center; and to the Board of Trustees of the Harris County Hospital District Foundation or other boards as applicable.

12. To perform other responsibilities, including, without limitation:

    a. To engage, as deemed necessary, outside financial, accounting, and other professionals.

    b. To direct the establishment and implementation of an effective corporate compliance program to assure Harris Health's compliance with all applicable federal and state laws, rules and regulations, and to ensure that there is a Corporate Compliance Officer ("CCO") for Harris Health who has the authority to report matters of concern directly to the Board without permission of the CEO, but such CCO shall be hired by, work for, and report directly to the CEO.

    c. To delegate responsibilities to Standing and Special Committees, where authorized and approved by the Board.

ARTICLE III~~V~~

MEMBERSHIP OF THE BOARD

1. Appointment and Reappointment

   Members of the Board are appointed by the Harris County Commissioners Court for a term of two (2) years. The terms of four (4) members expire on November 1st of odd years and the terms of five (5) members expire on November 1st of even years. Members continue to serve until their successors are appointed and qualified. Members are eligible for reappointment pursuant to the policies and procedures for appointments to County boards

and commissioners approved by the ~~at the discretion of the~~ Harris County Commissioners Court. All Board members serve without compensation.

2. Ethical Standards

   a. All Board members shall comply with state and federal laws, rules, and regulations governing the ethical conduct of public officials, including the disclosure of conflicts of interest.

   b. Each board member shall, upon appointment and on a continuing basis, and in consultation with the Harris County Attorney's Office, provide a financial affidavit and conflict of interest disclosure statement with the Board Office, in accordance with Harris Health Policy 3.43, Board of Trustees Member Conflict of Interest and Nepotism Policy, which shall be maintained by the Board Office~~.~~

3. Orientation Program; Continuing Education

Upon appointment to the Board, each newly appointed member shall become familiar with the member's statutory duties, including compliance with the Act, these Bylaws, the Texas Open Meetings Act (Tex. Gov't Code ch. 551) and the Texas Public Information Act (Tex. Gov't Code ch. 552) and all aspects of the operation of Harris Health. Each Board member may attend any conferences, meetings or seminars in the interest of continuing education, the reasonable costs of which shall be borne by Harris Health.

ARTICLE IV

LEGAL REPRESENTATION OF MEMBERS OF THE BOARD; INDEMNIFICATION

1. The Board may engage private legal counsel to represent a Board member in any legal matter arising out of the good faith performance of his/her public duties. To the extent permitted by law, each Board member shall be indemnified by Harris Health against any other costs, expenses, and liabilities which are imposed upon or reasonably incurred by him/her by reason of his/her being or having been such member subject to Board approval of a not to exceed amount, reasonable legal fees and customary expenses shall be advanced to the Board member upon his/her execution of an undertaking letter to Harris Health agreeing that upon a finding of the Board or a final court determination that the indemnified member was not acting in good faith that he/she shall reimburse Harris Health for advanced legal fees and expenses.

2. The Board may engage legal counsel to represent the Board if the Harris County Attorney's Office is deemed by the Board to have ~~–~~a conflict of interest in its representation of the Board.

ARTICLE V~~I~~

OFFICERS

1. Election

   Annually, at the Board meeting immediately prior to the beginning of Harris Health's new fiscal year, the Board shall elect a Chair, Vice Chair, and Secretary, and to the extent and at such time as needed, an Assistant Secretary, except such elected officers' terms for the stub fiscal year of 2022 shall be extended through the end of fiscal year of 2023. Such extension shall constitute a one-year term for purposes provided herein.~~.~~

   Officers shall be limited to three (3) consecutive one-year terms in one office. The Board may elect such an officer who has served three (3) consecutive one (1) year terms in one office to serve in another office.

   Officers shall participate as members of the CEO Evaluation Advisory workgroup and make recommendations to the Board on CEO Evaluation and compensation~~,~~.

2. Duties of the Chair

   The Chair shall preside at all Board meetings. In the event of the resignation, disability, death, or removal of the Vice Chair, Secretary, or Assistant Secretary, the Chair shall conduct an interim election at the next regular Board meeting, or Special Board meeting called for such purpose, to replace such officer. With the approval of the Board, the Chair shall appoint from among the Board members (except as otherwise provided herein), all members to ~~standing~~ committees as described in Article VI~~I~~ of these Bylaws. ~~With the approval of or at the direction of the Board, the Chair may appoint special committees.~~ Unless otherwise instructed by the Board, the Chair may refer matters coming before the Board to a Board committee for consideration and recommendation.

   Commented [TLS4]: Limit's chair's unilateral authority to appoint Board members to committees by requiring board approval for committee appointments.

3. Duties of the Vice Chair

   The Vice Chair shall perform the duties of the Chair in his/her absence or in the event of his/her resignation, conflict of interest, death, disability, or removal pending election of a successor Chair.

4. Duties of the Secretary

   The Secretary shall see that suitable records are maintained of each meeting of the Board and committee~~s~~ of the Board, and shall submit them at the next meeting of the Board or committee, as applicable. After approval, such records shall be read and signed by the Chair or the member presiding, and attested by the Secretary of the meeting, if applicable. The Board shall have a seal on which shall be engraved the name of Harris Health System~~County Hospital District~~, and said seal shall be kept in the Board Office and used in authentication of all acts of the Board, to the extent required.

   The Secretary or his or her designee shall cause all members of the Board to be notified of all Board meetings in the following fashion:

a. For all regular meetings, the members shall be notified in writing not less than seventy-two (72) hours ~~three (3) days~~ in advance of the scheduled meeting.

b. For ~~special or~~ emergency meetings, dependent upon the time available and the urgency of the occasion, members may be notified by ~~mail~~, telephone or ~~,~~ e-mail, ~~hand delivery or facsimile transmittal,~~ in all cases with confirmed receipt, setting out the date, time, and specific purpose of the ~~special or~~ emergency meeting.

Notice of each meeting shall be posted as required by the Texas Open Meetings Act.

~~5. Duties of the Assistant Secretary~~

~~In the absence of the Secretary, the Assistant Secretary shall perform the duties of the Secretary.~~

ARTICLE VI~~I~~

BOARD COMMITTEES

1. Board Committees and Appointment of Members

The Board shall specify standing committees and special committees, if any, at the Board meeting immediately after ~~prior to the beginning of~~ Harris Health's ~~new fiscal~~ new calendar year by approval of the Board calendar, or at such other times as may be necessary or appropriate. Unless otherwise provided herein, a~~A~~ll committees, standing or special, shall have advisory functions only and shall carry out those duties as specified in these Bylaws, in its respective ~~the~~ committee charter, or by the Board. The Chair shall be an ex-officio, non-voting member of each committee. The Board action establishing a committee shall specify the number of members, and whether non-Board members may be named to such committee, and if so, whether the non-Board members shall be voting or non-voting members of such committee.

With the approval of the Board, the Chair shall appoint from among the Board members a chairperson for each committee and committee members. Each committee member shall serve for one (1) year and shall be subject to reappointment. A vacancy on the committee shall be filled in the manner described for initial appointment of a committee member. At the direction of the Board, each committee shall develop a charter of its duties, which shall be approved by the Board.

2. Committee Meetings; Quorum; Notice

Committee meetings shall be held as determined by the Board and each committee. Two~~A majority~~ of the voting members of the committee shall constitute a quorum~~,~~ provided that other Board members in attendance at the meeting shall be deemed to serve on the committee for that meeting and such designated member or members shall be included in the calculation of the quorum and shall have voting power. Notice of each committee meeting shall be posted as required by the Texas Open Meetings Act, and notice shall be provided to each committee member, and any other Board member requesting notice, at

Commented [TLS5]: Please note flexibility for establishing quorum for committee with Board Chair or other non-committee board members.

least seventy-two (72) hours prior to the time of the meeting in the manner stated in Section VII.4.a and VII.4.b of these Bylaws. Attendance at a meeting shall constitute waiver of notice of the meeting.

ARTICLE VIII

BOARD MEETINGS

1. Regular Meetings

   There shall be a minimum of five (5) meetings of the Board during each calendar year. For purposes of Health Care for the Homeless Program business, there shall be a minimum of twelve (12) monthly meetings of the Board during each calendar year.

2. Special or Emergency Meetings

   Special or emergency meetings of the Board shall be called (a) by the Chair of the Board or (b) by the Secretary upon the request of two or more other Board members.

3. Recessed Meetings

   Any meeting may be recessed from time-to-time until the business thereof is accomplished.

4. Quorum

   The presence of the majority of the Board in person at the posted meeting location shall constitute a quorum for the transaction of business, even if other Board members participate by videoconference in accordance with the Texas Open Meetings Act. A lesser number of Board members may recess a meeting until a later specified date when a quorum shall be present. Except as otherwise provided by these Bylaws or as may be required by applicable law, all matters before the Board shall be decided by an affirmative vote of the majority of the Board members present and voting at a meeting where a quorum exists.

5. Attendance

   Each Board member is expected to attend at least seventy percent (70%) of the regularly scheduled meetings, including appropriate committee meetings, if any, during any twelve (12) month period.

6. Public Meetings

   All meetings of the Board shall be open to the public, except that the Board may hold Executive Sessions in accordance with the Texas Open Meetings Act.

7. Public Comment ~~/Hear From Citizens~~

Commented [TLS6]: Physical presence of majority of board members at meeting location required for business under Texas Open Meetings law and Harris Health's videoconferencing policy.

Commented [Sara T7]: The law only requires Public Comment for posted agenda items but Harris Health allows for broader public comment on matters concerning the business of Harris Health.

a. Any individual ~~citizen~~ who wishes to discuss or comment on matters pertinent to a posted agenda item or the business of Harris Health must submit a public comment registration form to the Board of Trustees Administrative Office via email or as otherwise provided on the Harris Health website ~~to the Board of Trustees Office, currently located at 2525 Holly Hall, Suite 110 Houston, Texas 77054,~~ by 4 p.m. on the day before the scheduled meeting.

b. A speaker who has registered to speak~~whose subject matter as submitted relates to an identifiable item of business on the agenda will be requested by the Chair to come to the podium and~~~~where she/he~~ will be limited to three (3) minutes.

~~c. A speaker whose subject matter as submitted does not relate to an identifiable item of business on the agenda will be will be requested by the Chair to come to the podium where she/he will be limited to three (3) minutes.~~

c~~d~~. A speaker who requires a translator will be granted twice the amount of time as a speaker who does not require the assistance of a translator.

8. Executive Session

The Board may enter into executive session after establishing a quorum and announcing that an executive session will be held in accordance with the policies and procedures of the Board and in compliance with the requirements set forth in the Texas Open Meetings Act.

ARTICLE VIII~~IX~~

PROCEDURE FOR MEETINGS

1. Regular Meetings

Board Agendas should be prepared in advance of each Board meeting and include items determined by the needs of Harris Health and the Board of Trustees. A Regular Board meeting may include, without limitation, the following items:

a. Disposition of minutes of previous Board meetings.

b. ~~-~~Public Comment~~/Hear From Citizens~~.

c. Consent Items, if any.

d. Reports and recommendations from the MEB regarding credentialing and quality of care issues for the Board's consideration.

e. Strategic Items.

f. Consideration of approval of purchasing recommendations.

gfe. Items relating to fiscal affairs, including regular statistical and financial reports, together with cumulative reports for the fiscal year-to-date.

hgf. Reports and items from committees, if any.

ih. Miscellaneous items, if any.

j. CEO's Report.

kj. Executive session items, if any.

2. Special or Emergency Meetings

A special meeting or emergency meeting shall be for the purpose of considering the item or items on the agenda for such meeting.

3. Rules of Order

a. Robert's Rules of Order Newly Revised (1214th edition, or such later edition, as may be appropriate) shall govern the proceedings of the meetings of the Board in all matters not inconsistent with these Bylaws or the Constitution and laws of the State of Texas. Notwithstanding anything contained in such Rules to the contrary, the Chair of the Board may vote on any matter before the Board.

b. If any member or members in the minority on any question wishes to present a written minority opinion to the Board Secretary, such opinion shall be provided and kept with the permanent records of Harris Health.

ARTICLE IX

MEDICAL STAFF

1. Organization

The Board of Trustees shall appoint a Medical Staff, Contract Practitioners, and a staff of APPs, and shall assure they are appropriately organized, and adopt such bylaws, rules and regulations for governance of their practice at Harris Health as the Board deems to be of the greatest benefit to the care of the patients.

2. Medical Staff Bylaws

The Medical Staff, Contract Practitioners, and APPs shall be governed by the Medical Staff Bylaws, which are subject to approval by the Board of Trustees. The Medical Staff Bylaws shall include a procedure for making recommendations to the Board of Trustees concerning Medical Staff, Contract Practitioners, and APP appointments and timely reappointment, and granting of privileges for Medical Staff members and a provision for the termination of physicians, dentists, and other defined medical professionals in medical-administrative

positions. The Medical Staff Bylaws also shall include a provision for the review of decisions, including the right of a Medical Staff member to be heard at each step of the process when requested by the practitioner.

The Medical Staff shall be responsible for the development, adoption and periodic review (no less than every three [3] years) of the Medical Staff Bylaws and Rules and Regulations to ensure they are consistent with Harris Health policy as established by the Board of Trustees and any applicable legal or other requirements. Changes in such Bylaws or Rules and Regulations thereafter shall not take effect until approved by the Board of Trustees. In addition, changes to the Medical Staff Bylaws may also be proposed directly to the Board of Trustees by the Medical Staff upon a majority vote of the members of the Active Medical Staff voting on the proposed amendment.

3. The MEB

The MEB fulfills the Medical Staff's accountability to the Board of Trustees for medical care rendered to patients and shall be selected as described in the Medical Staff Bylaws. The MEB will make its recommendations to the Board of Trustees after conducting the due diligence required by, and in accordance with the procedures set forth in the Medical Staff Bylaws. All decisions resulting from investigations by the MEB shall be reviewed by the Board of Trustees to the extent provided in the Medical Staff Bylaws. The Board of Trustees shall establish a hearing or other process in accordance with the Medical Staff Bylaws, regarding the denial, revocation, or suspension of clinical privileges for Medical Staff members, Contract Practitioners and APPs.

4. Board Meeting Attendance

The Chair of the MEB ~~and the appropriate representative of Affiliated Medical Services ("AMS")~~ will attend the regular meetings of the Board of Trustees as appropriate, to present reports from the MEB and the Medical Staff and participate in discussions affecting the clinical operations of Harris Health. In collaboration with Harris Health, the participants, including members of the Medical Staff, may bring to the Board of Trustees' attention matters of a clinical and/or administrative nature and make such recommendations related to such matters as they may deem in the best interest of Harris Health~~, as well as bring any matters involving conflicts between a policy adopted by the MEB under Section 281.0283 of the Texas Health & Safety Code and a policy adopted by Harris Health.~~

ARTICLE X~~I~~

ADMINISTRATIVE STAFF

1. The Board shall appoint a CEO to serve as the Administrator of Harris Health. Appointment to the position is made by the Board for a term not to exceed four (4) years, subject to removal at any time by the Board. The Board may renew the term of the CEO. Before assuming his/her duties, the CEO shall execute a bond payable to Harris Health in the amount of not less than $10,000.00, conditioned on the faithful performance of his/her duties and any other requirements determined by the Board. To the extent permitted by the

Commissioners Court and applicable law, the Board shall delegate to the CEO, and hold the CEO accountable for the management of Harris Health in compliance with all laws, rules, and regulations, as well as the ~~P~~policies and ~~P~~procedures and other requirements of the Board. Without limiting the statutory duties of the CEO, the CEO shall:

a. Establish such ~~P~~procedures, programs, services and long-range planning as are necessary for the operation of Harris Health within the policies of the Board and the mission and vision of Harris Health.

b. Prepare, present, and recommend a comprehensive annual budget to the Board and the Commissioners Court, and supervise Harris Health's business affairs to assure that revenues and other funds are collected and expended within the law and to the best advantage of Harris Health to conserve Harris Health's financial assets.

c. Bi-a~~A~~nnually develop and submit to the Board a report of Harris Health's administrative staff organization and salary structure, including changes from the prior year, and including, at the request of the Board, a report of comparable salaries prepared by an outside, independent consultant.

d. Employ and direct the work of all employees of Harris Health, and develop and maintain personnel policies and practices to assure the recruiting and retention of qualified staff.

e. Cooperate with Medical Staff and with all those rendering professional services, and develop and implement quality assurance and patient safety plans and programs, to assure that high quality care is rendered to Harris Health's patients and through contracted services provided at the Harris County jail.

f. Provide for Harris Health's information and support systems and establish and maintain internal controls, and maintain Harris Health's physical properties in a good state of repair and operating condition, and purchase supplies, services and equipment in accordance with the policies and procedures.

g. Attend all Board meetings, and all committee meetings as requested by the Chair of the committee, and present reports requested by the Board.

h. As soon as practical after the end of the fiscal year, prepare and provide to the Board an Annual Report (defined as the Administrator's Report in the Act) covering all operations of Harris Health, which, when adopted by the Board, shall be distributed as required by law and as may be directed by the Board.

i. Serve as the liaison officer (except as otherwise provided in these Bylaws) for official communications concerning actions and/or recommendations between the Board or any of its committees and the Medical Staff.

j. Perform all other duties that may be necessary to carry out the best interests of Harris Health.

2. If the CEO is incapacitated, absent, or unable to perform his/her duties, except as determined otherwise by the Board, Policy 3.06 - Delegation of the Duties of the President and Chief Executive Officer, shall apply. ~~-~~In any circumstance, the Board may designate an Assistant Administrator (as defined in the Act) to perform any of the CEO's powers or duties, subject to limitations prescribed by the Board resolution appointing such person. The Assistant Administrator shall execute a bond as required by the Act and by the Board.

ARTICLE XI~~I~~

HEALTH CARE FOR THE HOMELESS

In the fulfillment of Harris Health's purposes, the Board shall perform the duties and responsibilities prescribed in the Health Care for the Homeless Program Bylaws as set forth in Exhibit A, attached hereto and incorporated herein by reference.

ARTICLE XII~~I~~

FISCAL CONTROLS

The financial records of Harris Health shall be prepared in accordance with generally accepted accounting principles and audited annually by an independent outside certified public accountant.

ARTICLE XIII~~V~~

REQUESTS FOR INFORMATION

Any request to Harris Health for written information shall be processed~~handled~~ in accordance with the laws of the State of Texas including, but not limited to, the Texas Public Information Act ("TPIA"). Harris Health's Public Information Act Officer~~Corporate Compliance~~ shall be notified if any member of the Board receives a direct TPIA request.

~~1. No r~~Records of Harris Health ~~shall be kept in accordance with state law and shall not be destroyed or removed from their ordinary places of safekeeping, except~~ as ~~necessary for responding to a TPIA request, pursuant to subpoena or other judicial or similar process.~~

ARTICLE XIV

BOARD ~~POLICY~~ STATEMENTS

~~Because each Board member is but one ninth of the Board, no member will be authorized to speak independently for the Board except by the Chair or his or her designee.~~ Policies, p~~P~~hilosophies, or ~~and~~ statements of official positions of the Board or Harris Health will be made after concurrence as indicated by a majority vote of the Board. All such statements will be issued through the Chair or his/her designee per the Standard Operating Procedures approved by the Board of Trustees. ~~-~~

ARTICLE XV~~I~~

GIFTS AND BEQUESTS

The Board is authorized on behalf of Harris Health to accept donations, gifts, and endowments for Harris Health, to be held in trust and administered by the Board for such purposes and under such directions, limitations, and provisions as may be prescribed in writing by the donor, not inconsistent with proper management and objectives of Harris Health. Such gifts and bequests shall be accounted for in the same manner as all other funds of Harris Health.

ARTICLE XVI~~I~~

AMENDMENTS

1. Waiver of Bylaws

   The waiver of a Bylaw provision shall require a majority vote of the Board present at an official meeting and shall comply with applicable laws.

2. Amendments

   Amendments and alterations to the Bylaws shall require a majority vote of the entire Board and shall comply with applicable laws. Such amendments and alterations can be effected at any regular meeting, or at any special meeting called for such purpose, provided these proposed changes in the Bylaws have been furnished in writing to each member of the Board at least thirty (30) days prior to the date set for action thereon. This latter provision may be waived by a unanimous vote of the entire Board.

3. Review of Bylaws

   The Chair of the Board shall appoint a committee consisting of three (3) members of the Board, or assign to an existing committee, a review of the Bylaws of the Board every thre~~wo~~ (3~~2~~) years, or earlier if deemed necessary by a majority of the Board members. This review and all recommendations of the review committee shall be reported to the Board at a subsequent meeting of the Board.

4. Conflict

   Any policies or resolutions of Harris Health in conflict with the Bylaws are hereby declared unenforceable.~~rescinded.~~

ARTICLE XVII~~I~~

ADOPTION

These Bylaws are accepted and adopted on February __, 2023 at a meeting of the Harris Health Board of Trustees and supersedes all previous Bylaws adopted by the Board of Trustees~~Houston, Harris County, Texas.~~

_____	_____
Chair, Board of Trustees Harris County Hospital District d/b/a Harris Health System	Secretary, Board of Trustees Harris County Hospital District d/b/a Harris Health System

Thursday, February 23, 2023

Consideration of Approval of Revisions to Harris Health System Board of Trustees Member Conflict of Interest and Nepotism Policy

Summary of Revisions to

Policy 3.43 Board of Trustees Member Conflict of Interest and Nepotism

Pursuant to 42 CFR 482.12, which is the CMS Condition of Participation applicable to the Governing Body, "There must be an effective governing body that is legally responsible for the conduct of the hospital." Policies and procedures, including the Conflicts of Interest & Nepotism policy must describe and be timely updated with current practices to evidence compliance with the CMS Condition of Participation. We recommend that the Board accept the proposed revisions to bylaws which reflect current practice:

- Policy Statement: The policy statement was revised to include language regarding Board members' duty of loyalty, undivided allegiance to Harris Health and avoidance of the appearance of conflict of interest in Harris Health relationships. This is to protect the integrity and impartiality of Board members and is the basis for the policy. *These changes reflect best practices and principles of fiduciary duty.*
- Addition of the definition of "Appearance of Conflict": "Appearance of Conflict" is defined as "the impression that a reasonable person may form after full disclosure of the facts, that a conflict of interest exists." *This definition is consistent with changes in the policy statement and Section II, Subsection H. (see below).*
- Revision of the definition of "Business Entity": "Business Entity" was revised to include a governmental entity, non-profit entity, institution of higher education or any other entity recognized by law. *The revised definition avoids any practical inconsistencies in the application of the policy and is consistent with current practice.*
- Addition of the definition of "Participat(ion)e": Addition of "participate" or "participation" defined as "to take part in any discussion, comment, action, decision, deliberation or vote." *This change was made for ease of use of terms discussion, action, deliberation or vote throughout the policy.*
- Section II. Interests in Business Entities or Real Property that Require Affidavits or Abstention, Subsection F. Harris Health Employee Benefits: This Section was revised from "Harris Health Retirement Benefits" to "Harris Health Employee Benefits" because the original language (not revised) referred to both health and retirement benefits. *This change was made as a clarification.*
- Section II. Interests in Business Entities or Real Property that Require Affidavits or Abstention, Subsection H. Appearance of Conflict: A new Section H. Appearance of Conflict was added to state that if a Board member has a relationship to a matter that creates an Appearance of Conflict (as defined above), the Board member must abstain from Participation. The relationship may include employment, economic, personal, or any other relationship that has the potential to compromise the Board member's impartiality or duty of loyalty. *This revision reflects the spirit of the policy statement and principle of duty of loyalty.*
- Section II. Interests in Business Entities or Real Property that Require Affidavits or Abstention, Subsection I. Procedure: A new number 4. added that as part of the abstention procedure, a Board member that must refrain from Participation because of a Substantial Interest under Section II. must also refrain from Participation with Administration outside of a board meeting in order to avoid an Appearance of Conflict. Board members are required instead to interact with the CEO and Administration in their capacity as a Board member only and shall not represent another entity in a potential or actual transaction with Harris Health. *This revision was made to address the practical reality that conflicts of interest exist outside of a board meeting but the duties of loyalty and requirements to refrain from participation extend to those activities as well.*

- Section II. Interests in Business Entities or Real Property that Require Affidavits or Abstention, Subsection I. Procedure: A new number 6. added that Board members shall confer with the County Attorney's Office as least once per year or more often to execute a conflicts management plan when appropriate. *This addition is essential to monitor compliance with the policy and address conflicts in a timely manner.*
- Sections III. Disclosure of Certain Business Relationships with Vendors and Section IV. Nepotism: Remain unchanged.

HARRIS HEALTH SYSTEM

POLICY AND REGULATIONS MANUAL

Policy No:	3.43
Page Number:	1 of 10
Effective Date:	02/27/2020
Board Motion No:	20.02-20
Last Date Revised	02/27/2020
Due for Review:	02/27/2023

TITLE: **BOARD OF TRUSTEES MEMBER CONFLICT OF INTEREST AND NEPOTISM**

PURPOSE: To provide guidelines to Board of Trustees members for conducting Harris Health System (Harris Health) business free from the influence of personal or private interests and to prevent favoritism, or the appearance of favoritism for relatives and household members.

POLICY STATEMENT:

Each member of the Board of Trustees has a duty of loyalty to Harris Health and may not use their position for personal, family, or professional gain. Board members have a duty to give undivided allegiance to Harris Health when making decisions affecting Harris Health and must avoid the appearance of a conflict of interest in Harris Health's relationships.-

All Board ~~of Trustees~~ members shall comply with state and federal laws, rules, and regulations governing their ethical conduct, including the disclosure of ~~any~~ conflicts of interest in accordance with Chapters 171 and 176 of the Texas Local Government Code and nepotism in accordance with Chapter 573 of the Texas Local Government Code. In furtherance of these obligations and to protect the integrity and impartiality of the Board members, Harris Health has adopted this policy.

POLICY ELABORATIONS:

I. DEFINITIONS:

A. **APPEARANCE OF CONFLICT**: the impression that a reasonable person may form, after full disclosure of the facts, that a conflict of interest exists.

~~A.~~B. **BOARD OF TRUSTEES MEMBER (BOT MEMBER)**: A member of the Harris Health governing body who has been appointed by the Harris County Commissioner's Court to serve on the Harris Health Board of Trustees.

~~B.~~C. **BUSINESS ENTITY**: For purposes of this policy, includes a~~A~~ sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, ~~or any other entity recognized by law~~ governmental entity,

non-profit entity, institutions of higher education or any other entity recognized by law.

~~C.~~D. **BUSINESS RELATIONSHIP**: A connection between two or more parties based on commercial activity of one of the parties.

~~D.~~E. **DECISION:** A determination by the BOT made only through a formal vote.

~~E.~~F. **FAMILY RELATIONSHIP**: An individual's spouse, parent, child, brother, sister, grandparent, grandchild, great-grandparent, great-grandchild, aunt who is a sister of a parent of the individual, uncle who is a brother of a parent of the individual, nephew who is a child of a brother or sister of the individual, niece who is a child of a brother or sister of the individual, mother-in-law, father-in-law, son-in-law, daughter-in-law, stepson, stepdaughter, stepmother, stepfather, brother-in-law,

sister-in-law, spouse's grandparent, spouse's grandchild, grandchild's spouse, or spouse of a grandparent.

F. **FIRST-DEGREE RELATIVE**: An individual's child, parent, spouse, mother-in-law, father-in-law, son-in-law, daughter-in-law, stepson, stepdaughter, stepmother or stepfather.

G. **HOUSEHOLD MEMBER**: A person or persons with whom a BOT Member shares a common abode, including other employees, partners, and others who live together.

H. **INVESTMENT INCOME**: means dividends, capital gains, or interest income generated from:

1. A personal or business:

   a. Checking or savings account;
   b. Share draft or share accounts; or
   c. Other similar account; or

2. A personal or business investment; or
3. A personal or business loan.

I. **PARTICIPAT(ION)E**: for the purposes of this policy, participate or participation means to take part in any discussion, comment, action, decision, deliberation or vote.

~~I.~~J. **SPECIAL ECONOMIC EFFECT**: With respect to any matter, a reasonably foreseeable economic effect that is distinguishable from the effect that the matter would have on the public. For example, if the Harris Health Board of Trustees were to discuss purchasing goods or services from a Business Entity in which a BOT Member has a Substantial Interest, that discussion would have a Special Economic Effect on the Business Entity.

II. INTERESTS IN BUSINESS ENTITIES OR REAL PROPERTY THAT REQUIRE AFFIDAVITS OR ABSTENTION:

A. Overview:

Texas law requires BOT Members to file affidavits disclosing certain Substantial

Interests in business entities or real property. In most cases, BOT Members must abstain from ~~votes, discussions, or decisions~~Participation relating to those interests.

B. Substantial Interest:

1. A BOT Member or his/her First-Degree Relative has a Substantial Interest in a Business Entity if such person:

   a. Owns ten percent (10%) or more of the voting stock or shares of the Business Entity; **OR**
   b. Owns either ten percent (10%) or more or fifteen thousand dollars ($15,000.00) or more of the fair market value of the Business Entity; **OR**
   c. Receives funds from the Business Entity that exceed ten percent (10%) of the person's gross income for the previous year.

2. A person has a Substantial Interest in real property if the interest is an equitable or legal ownership with a fair market value of twenty-five hundred dollars ($2,500.00) or more.

C. Required Affidavit and Abstention from ~~Voting~~Participation:

1. If a BOT Member has a Substantial Interest in a Business Entity, the BOT Member must file, before any vote, decision, or discussion on any matter that will have a Special Economic Effect on the Business Entity, an affidavit stating the nature and extent of the Substantial Interest **AND** shall abstain from further ~~p~~Participation in the matter.
2. If a BOT Member has a Substantial Interest in real property, the BOT Member must file, before any vote, decision, or discussion on any matter that will have a Special Economic Effect on the value of the property, an affidavit stating the nature and extent of the Substantial Interest **AND** shall abstain from further P~~p~~articipation in the matter.

D. Exception to Abstention Requirement:

1. If BOT Member files an affidavit pursuant to this Policy, that BOT

Member is not required to abstain from ~~votes, discussions, or decisions~~Participation

regarding the matter requiring the affidavit if a majority of the Harris Health Board of Trustees are likewise required to file affidavits pursuant to this Policy of similar interests on the same official action.

2. For a vote on a Harris Health final budget, if a BOT Member with a substantial interest in a business entity files an affidavit pursuant to this Policy, the BOT member may vote for the budget but only after the Board concluded the separate vote on the budget item involving the business entity in which the BOT Member has a substantial interest; even though the BOT member may vote, such member is not authorized to Pp~~p~~articipate in the discussion of the budget.

E. Community Health Choice (CHC) Membership:

If a BOT Member is also a member of the CHC Board of Directors, such BOT Member is not required to abstain from ~~any votes, decisions, or discussions~~Participation regarding a matter involving CHC because he or she does not have a personal financial interest in the CHC.

F. Harris Health Employee~~Retirement~~ Benefits:

A BOT Member ~~would is~~be required to abstain from Participation on matters related to Harris Health employee benefits if health benefit payments to a health care provider or reimbursement to the BOT Member exceeded ten percent (10%) of the Member's gross income for the previous year. However, retirement investment income payments exceeding that level or exceeding the fair market value level in an investment would not require abstention because Harris Health provides a 401(a) plan, which is not a "business entity," and the plan administrator is not providing the payments.

G. Client of BOT Member Employer:

A BOT Member ~~would be~~is required to abstain from Participation only if the employer had involvement in the client's matter that is before Harris Health for a vote. If there is no employer involvement in the agenda matter involving the client, then abstention from Participation is not required.

H. Appearance of Conflict:

A BOT Member is required to abstain from Participation if the BOT member has a relationship to a matter that is before Harris Health that creates an Appearance of Conflict. This may include an employment, economic, personal or any other relationship that has the potential to compromise the BOT Member's impartiality or duty of loyalty to Harris Health.

~~H.~~I. Procedures:

1. The Harris Health Board Office (Board Office) shall request information from all BOT Members and in consultation with the Harris County Attorney's Office (County Attorney's Office) evaluate them for a Substantial Interest in a Business Entity and real property upon appointment to the Harris Health Board of Trustees.
2. Any affidavits required to be filed under this Section II must be filed with the Board Office.
3. Prior to each regular Board meeting, the Board Office shall identify the business entities involved in agenda item votes proposed for such meeting and inquire of each BOT member whether he or she has a Substantial Interest in the identified Business Entities. If a Substantial Interest is identified, then the BOT Member shall sign and file an affidavit disclosing the Substantial Interest if he or she has not already filed one with the Board Office. At the meeting, when the presiding officer of the Board announces the agenda item involving the Substantial Interest as ready for consideration by the Board but before a motion is made or discussion commences, the BOT Member or Members having the Substantial Interest shall announce that he or she has a conflict of interest affidavit on file and will not P~~p~~articipate ~~in the discussion~~ and/or vote (as the case may be), unless an exception to abstention applies.
4. A BOT Member who has a Substantial Interest in a Business Entity and Real Property under this section, shall also refrain from Participation with Administration (outside of the board meeting) related to a contemplated transaction to avoid an Appearance of Conflict. BOT Members are required, instead, to interact with the CEO and Administration in their capacity as a BOT Member only. The BOT Member has a fiduciary duty of loyalty to Harris Health and shall not represent another entity in potential or actual transactions with Harris Health.

5. A BOT Member is encouraged to discuss all conflicts of interest or potential conflicts of interest he or she identifies with the County Attorney's Office, and Harris Health Administration should do the same for any for any BOT Member conflicts or potential conflicts of which it becomes aware. The County Attorney's Office may provide its legal analysis informally.

~~4.~~6. At least once per year, or more often at the time of knowing that an actual or potential conflict of interest exists, each BOT Member shall confer with the County Attorney's Office and execute a conflicts management plan when applicable.

~~5.~~7. Regardless of the involvement of the Board Office and the County Attorney's Office, each BOT Member is personally responsible for ensuring his or her Substantial Interests are properly disclosed and that he or she abstains from ~~votes, discussions, or decisions~~Participation when required. All BOT Members are advised that in certain cases, failure to comply with this policy could constitute a Class A Misdemeanor.

III. DISCLOSURE OF CERTAIN BUSINESS RELATIONSHIPS WITH VENDORS:

A. Overview:

Texas law requires BOT Members to disclose certain business relationships that they have with actual or potential vendors of Harris Health.

B. Conflicts Disclosure:

1. A BOT Member must file a conflicts disclosure statement with respect to a vendor if:

   a. The vendor enters into a contract with Harris Health or Harris Health is considering entering into a contract with the vendor; **AND**
   b. The vendor:

      Has an employment or other Business Relationship with the BOT Member or a First-Degree Relative of the BOT Member that results in the BOT Member or First-Degree Relative receiving taxable income, other than Investment Income, that exceeds twenty-five hundred dollars ($2,500) during the twelve (12) month period preceding the date that the BOT Member becomes aware that:

      1) A contract between Harris Health and vendor has been executed; **OR**
      2) Harris Health is considering entering into a contract with the vendor; **OR**
      3) Has given to the BOT Member or a First-Degree Relative of the BOT Member one or more gifts that have an aggregate value of more than one hundred dollars ($100) in the twelve (12) month period preceding the date the BOT Member becomes aware that:

         a) A contract between Harris Health and vendor has been executed; or

b) Harris Health is considering entering into a contract with the vendor;

OR

c) Has a Family Relationship with the BOT Member.

2. A BOT Member must file a Local Government Officer Conflicts Disclosure Statement Form published by the Texas Ethics Commission.

C. Exceptions:

1. A BOT Member is not required to file a conflicts disclosure statement for the following gifts received by the BOT Member or their First-Degree Relatives:

   a. A political contribution; or
   b. Food accepted as a guest.

2. A BOT is not required to file a conflicts disclosure statement if his/her Business Relationship with a vendor is based on any of the following:

   a. A transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity; or
   b. A transaction conducted at a price and subject to terms available to the public; or
   c. A purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

D. Applicable Procedures:

1. A BOT Member shall file the conflicts disclosure statement with the Board Office no later than 5 p.m. on the seventh (7^{th}) business day after the date which the BOT Member becomes aware of the facts that require the filing of the conflicts disclosure statement. For transparency purposes, Harris Health encourages BOT Members to review information from Harris

Health Administration regarding disclosure conflicts as soon as vendors are disclosed and to promptly determine if a conflicts disclosure statement should be filed. Harris Health encourages BOT Members and Harris Health Administration to consult with the County Attorney's Office regarding any questions or uncertainty with the filing of a conflicts disclosure statement. The County Attorney's Office may give advice informally.

2. If the BOT Member misses the deadline to file the conflicts disclosure statement and the Board Office is or becomes aware of the BOT Member's obligation to file the conflicts disclosure statement with regard to a vendor, the Board Office shall give notice to the BOT Member of the failure to file the conflicts disclosure statement, and the BOT Member shall file the required conflicts disclosure statement not later than the seventh (7^{th}) business date after the date the BOT Member receives this notice from the Board Office.
3. Because the filing of a conflicts disclosure statement does not require abstention of any sort, a BOT Member need not announce or publicly disclose before, during, or after a Board meeting the existence of a relationship identified in the statement apart from having filed the statement. BOT Members should be aware that, because Harris Health maintains an internet website, it is required by law to provide access to conflicts disclosure statements on this website.
4. The Board Office will maintain the conflicts disclosure statements in accordance with Harris Health's records retention schedule.
5. Upon adoption of this Policy, the Board Office will maintain and publish a list to all BOT Members of vendors who contracted with Harris Health or were considered for a contract, and all BOT Members are obligated to file a Texas Ethics Commission Form CIS for vendors required to be disclosed under Chapter 176 of the Texas Local Government Code.
6. Regardless of the involvement of the Board Office and the County Attorney's Office, each BOT Member is personally responsible for ensuring that his or her relationships with vendors are properly disclosed. All BOT Members are advised that in certain cases, failure to comply with this policy could constitute a Class A Misdemeanor.

IV. NEPOTISM:

A. Overview:

Texas law prohibits public officials from appointing, confirming the appointment of, or voting for the appointment or confirmation of the appointment of a close relative of public officials to a paid public position or employment.

B. Nepotism:

1. A BOT Member may vote, discuss, or make a decision on employment, promotions, transfers, assignments or supervise an individual that the BOT Member has a Family Relationship with or is a Household Member.
2. A BOT Member may not directly or indirectly use his or her position to secure the employment, promotion, transfer, or assignment of an individual that the BOT Member has a Family Relationship with or is a Household Member.

C. Exceptions:

1. If an individual is appointed as a BOT Member and such BOT Member has a Family Relationship with a Harris Health employee or a Household Member employed with Harris Health, the BOT Member must immediately notify the Board Office.
2. Such Family Relationship individual or Household Member may continue being employed by Harris Health if the Family Relationship individual or Household Member has been continuously employed with Harris Health for 30 days prior to the appointment of the BOT Member ("Continuous Employment").
3. If the Family Relationship individual or Household Member falls under the Continuous Employment exception, the BOT Member shall not participate in any discussion, decision, or vote regarding the Family Relationship individual or Household Member's employment, compensation, promotion, transfer, assignment or dismissal if these actions only apply to the individual and is not taken regarding a bona fide class or category of employees.

REFERENCES/BIBLIOGRAPHY:

Chapters 171 and 176 of the Texas Local Government Code

Chapter 573 of the Texas Local Government Code.

OFFICE OF PRIMARY RESPONSIBILITY:

Harris Health System Office of Corporate Compliance

REVIEW/REVISION HISTORY:

Effective Date	Version # (If Applicable)	Review or Revision Date (Indicate Reviewed or Revised)	Reviewed or Approved by: (If Board of Managers Approved, include Board Motion #)
	1.0	Approved 2/27/2020	Board of Trustees Board Motion No. 20.02-20

BOARD OF TRUSTEES

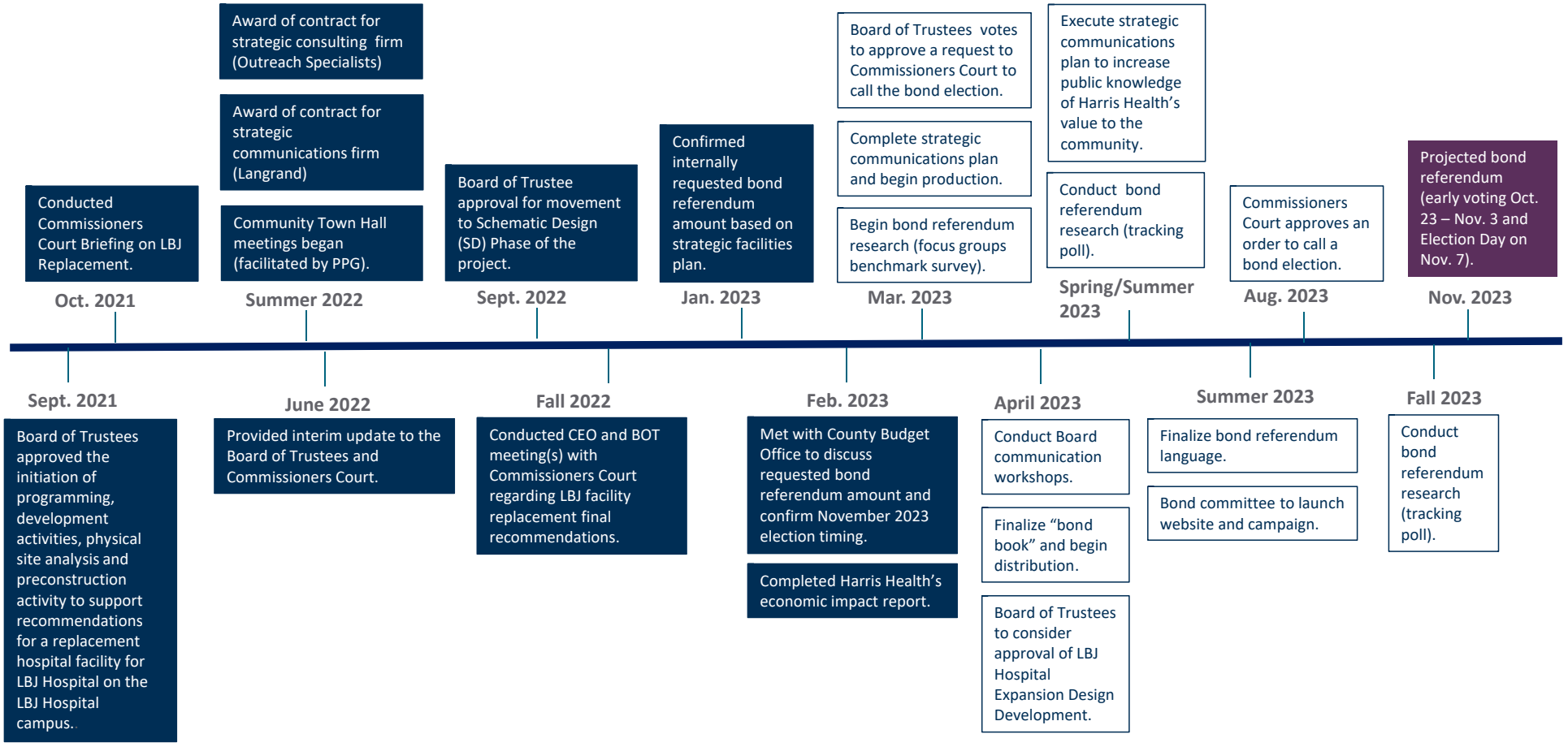
Meeting of the Board of Trustees

HARRISHEALTH SYSTEM

Thursday, February 23, 2023

Presentation Regarding Strategic Capital Needs and Funding

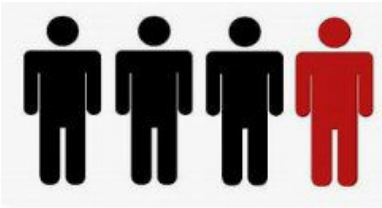
LBJ Facility Expansion Communication and Bond Referendum Planning Timeline as of February 1, 2023



1

Harris Health Strategic Capital Requirements 2024-2035: Current State of Hospital Facilities

Today, **one in four** Harris County residents are uninsured.



This equates to **1,175,000 Harris County residents** who rely on Harris Health.

In 2050 the projected population of uninsured residents in Harris County will be **1,537,500**.

Ambulatory Care

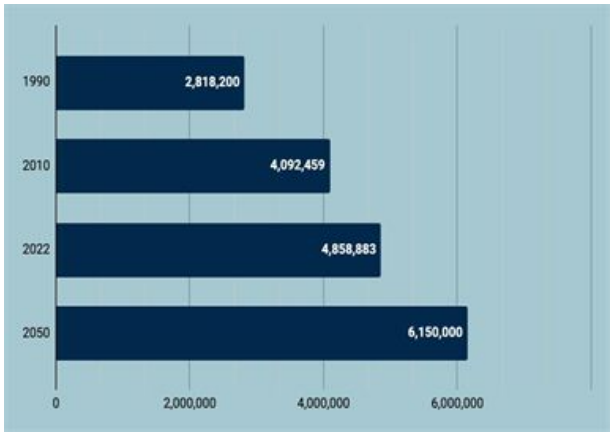
Harris Health Ambulatory Clinics need improved alignment to address population shifts and critical infrastructure needs.

Today both hospitals are at capacity.

Both hospitals are currently operating at over 90-100% daily occupancy, exceeding the healthcare capacity for efficient flow, which is recommended to be below 85%. To both serve current needs and meet future demands, Harris Health's infrastructure requires renovation to deliver necessary health services.

Our Service Sites

Our hospitals - Lyndon B. Johnson Hospital and Ben Taub - **opened their doors over thirty years ago**. Since then, Harris County's population has nearly doubled and continues to grow.



2

Current orientation of LBJ Hospital Campus:

1. Clinical areas **consistently exceeding daily capacity.**
2. **Limited expansion capability** due to existing design limitations.
3. **Lack of essential clinical services** on-site (e.g., stroke and heart attack care) **requiring transportation** to other facilities.
4. **Infrastructure**, including mechanical, electrical, and plumbing systems, **has exceeded its useful life** and is costly to maintain.
5. **Inability to meet current and future growth demands** of the surrounding community and service demand for Harris County.

Future orientation of LBJ:

1. **Construct New LBJ.**
   - **Expanded capacity** to meet current and future projected demand with thoughtful design.
   - **Additional trauma care services** will enhance the County's capacity to provide trauma care.
   - **Proactive planning for flood mitigation.**
   - Clinical **areas designed with flexibility** to meet patient needs and future expansion requirements.
   - **Add new services**, including interventional neuro & cardiology and stroke care.
2. **Renovate Existing Facility.**
   - **Address service gaps** and bring the facility up to standard to meet current area needs.
   - **Provide for outpatient access** as part of campus master planning.

Current orientation of Ben Taub Hospital Campus:

1. Clinical areas are **consistently exceeding capacity daily,** necessitating renovation to accommodate growing demand.
2. Patient care areas are **not meeting community standards** in size, private rooms and efficient patient flow.
3. **Infrastructure** has **exceeded its useful life** and requires ongoing maintenance and replacement.
4. **Unable to meet current and future growth** of Harris County.
5. Requires **substantial investment to extend life of critical services** beyond 10-15 years.

Future orientation of Ben Taub:

1. **Extend Facility Lifespan by 15 years.**
   - **Expand capacity** to assist in meeting current and future projected demand
   - **Improve flexibility of design** for clinical areas to meet needs
2. **Build New Inpatient Tower.**
   - **Add approximately 120 incremental patient rooms**
   - **Address capacity management** through renovation of existing space
3. **Proactive planning for flood mitigation** issues.
4. **Desire to provide further necessary trauma care** access through addition of helistop.

Current orientation of ACS:

1. **Several sites lack needed support services**, i.e. radiology, lab & pharmacy.
2. Current experience of **low volume clinics** due to population shifts and proximity to other clinics.
3. **Several regions have limited access to Harris Health Clinics and FQHCs.**
4. **Opportunity to improve efficiencies** in the clinics for patient volume and flow.

Future orientation of ACS:

1. **Optimize services.**
   - Transition from small/low volume sites to larger, more comprehensive sites to **improve efficiencies and service access.**
2. **Create four new sites.**
   - 2 new to geography (Northwest & Southwest) to **increase population served.**
   - 2 to consolidate and **expand services** (Northshore/Cloverleaf and Pasadena areas).
3. **Prioritize community partnerships** for cross flow of patients in specified areas.

Harris Health Strategic Capital Requirements 2024-2035

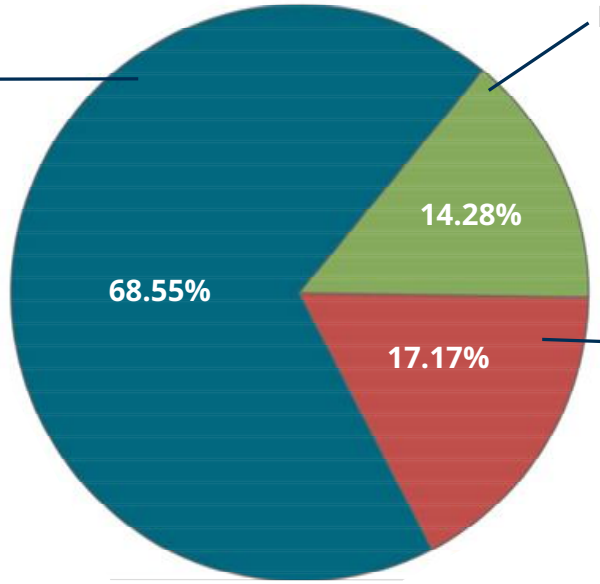
	Estimated Base Total Project Cost	Estimated Timeframe for Project Area
LBJ Hospital Campus	$ 2,033,636,054	2024-2035
Ben Taub Hospital Campus	$ 410,462,117	2024-2030
ACS/Population Health	$ 504,542,882	2025-2033
Transition & Post-Acute Care	$ 4,237,910	2025
IT and InfoSec	$ 120,401,075	2024-2030
Pharmacy	$ 44,631,520	2025-2029
Laboratory	$ 8,397,724	2024-2030
	$3,126,309,281	

Harris Health Strategic Capital Requirements 2024-2035

	Estimated Base Total Project Cost	Estimated Timeframe for Project Area
LBJ Hospital Campus	$ 2,033,636,054	2024-2035
Ben Taub Hospital Campus	$ 410,462,117	2024-2030
ACS/Population Health	$ 504,542,882	2025-2033
	$2,948,641,053	

LBJ Hospital - $2.03B

- ***New LBJ: $1.6B***
  - Increase patient capacity in multiple areas
  - Position for Trauma
  - New interventional services
- ***Existing Facility Renovations: $433M***
  - Transform facility to address critical service gaps;
  - Provide for outpatient access as part of campus master planning



Ben Taub - $ 410M

- Extend facility lifespan by 15 or more years
- Address existing capacity limitations
- Improving clinical inefficiencies
- New Inpatient tower adding approximately 120 incremental patient rooms

Ambulatory Care Services - $ 504.5M

- New and consolidated facilities
- Transition low volume sites to larger comprehensive sites

Harris Health Strategic Facilities Plan Proposed Financing

- The total Strategic Facilities Plan will cost an estimated $2.9 billion and will be completed in phases over the next 10+ years.
- These phases will be financed with debt, operating cash, and philanthropic contributions.

$2.5B – Proposed Bond Debt Proceeds
$300M – Harris Health Operating Cash
$100M – Philanthropy
$2.9B – Total Estimated

BOARD OF TRUSTEES

Meeting of the Board of Trustees

HARRISHEALTH SYSTEM

Thursday, February 23, 2023

Presentation Regarding Strategic Communications Plan

Harris Health System Board Meeting Presentation

Prepared for Harris Health System

February 23, 2023

HARRISHEALTH SYSTEM

LANGRAND

“Say my name, say my name.”

DESTINY’S CHILD

The ask

Develop a one-year strategic communications plan to increase public understanding and awareness of Harris Health and the value it delivers to all residents of Harris County.


At the core of this work, we seek to answer:
How can we garner support for Harris Health System by *connecting* residents of Harris County to the *best of who we are*?

Our journey

RESEARCH & DISCOVERY

Collaborative working sessions with consultants

Stakeholder interview sessions and surveys

Brand analysis

Secondary research

Communications and materials audit

Competitive and industry landscape analysis

Onsite visits

Strategy and research readout

STRATEGIC COMMUNICATIONS PLAN

PR plan

Media plan and flow chart

Messaging strategy and maps

Strategic communications plan development

Plan presentation

What we learned

1.

Not enough people know your name or the important work you do.

Harris Health is still feeling the impacts of a name change that went under the radar and faces an uphill battle for mindshare in a city dominated by the reputation and media spend of major healthcare players. Creativity, and a strong earned media platform, is essential.

2.

Harris Health has a big story to tell—and a limited platform to tell it.

Public health, hospitals, ACS, system/network, trauma care, subspecialties, affiliations, teaching hospital, community initiatives, community events, quality of care, population health, SDoH, end-to-end care, and recruiting. To build brand awareness, we'll need to practice intense message discipline.

3.

To know you is to love you.

Public opinion data indicates a strong correlation between experience and perception when it comes to your brand. How can we help more people “experience” Harris Health to drive stronger brand affiliation at scale?

4.

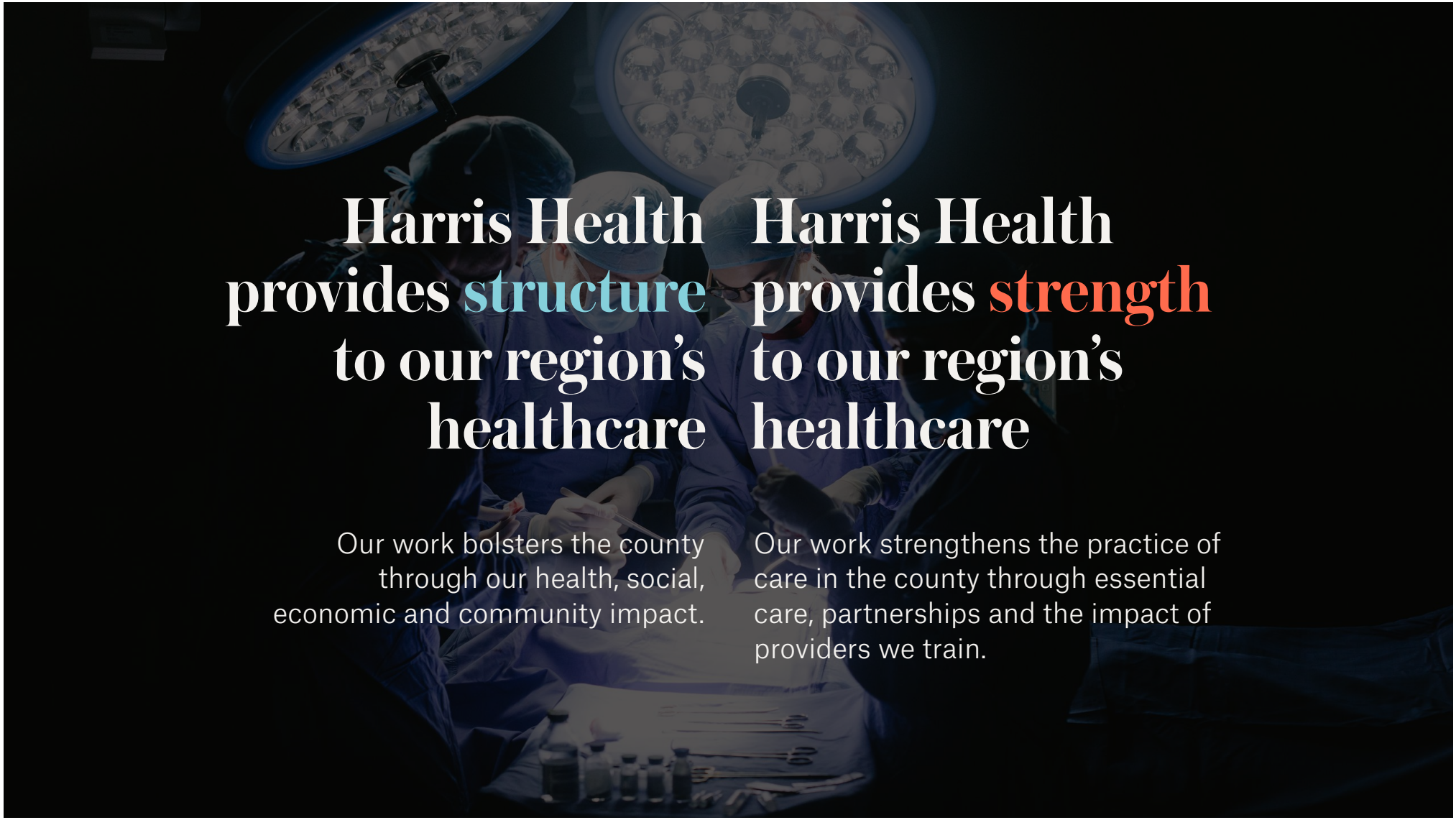
Your purpose-driven culture is a profound asset—and a key to telling your story.

The intense commitment to your mission—as well as the quality care you deliver—are organizational strengths and are underutilized elements of the Harris Health story. Moving forward, let's leverage them for greater impact.

5.

Following the pandemic, trust in healthcare is low, especially in underserved communities.

Research consistently suggests that healthcare institutions have a long road ahead when it comes to fostering greater confidence among diverse populations. Continuing to invest in strengthening connections to the communities you serve will be key.



Harris Health provides structure to our region's healthcare

Our work bolsters the county through our health, social, economic and community impact.

Harris Health provides strength to our region's healthcare

Our work strengthens the practice of care in the county through essential care, partnerships and the impact of providers we train.

Core Objectives

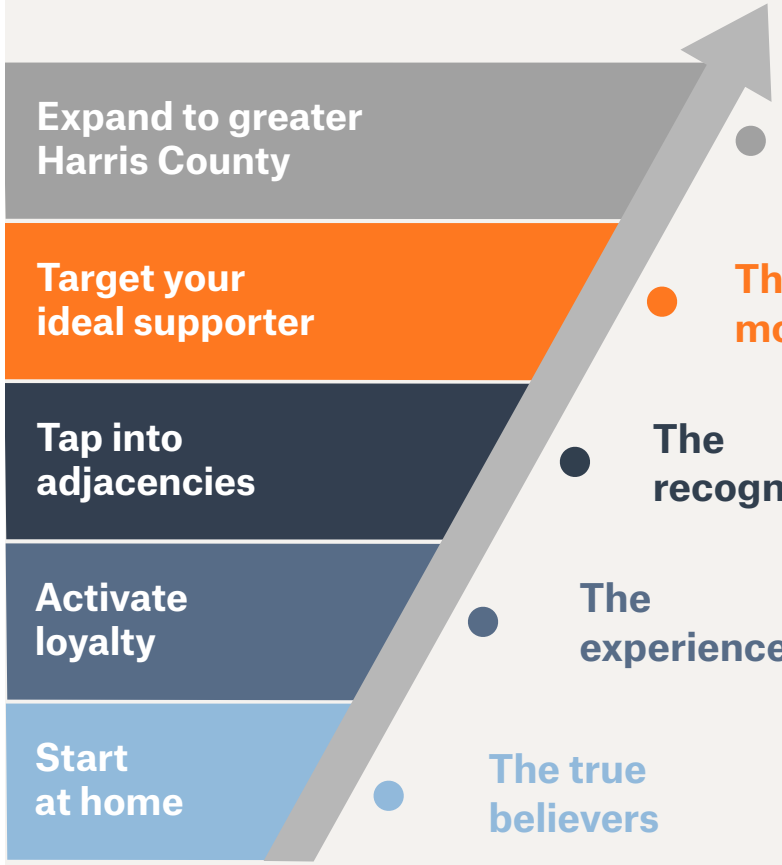
Generate brand awareness and improve perception by building an association with Harris Health and its vital and dynamic role in our city's well-being

Reinforce messaging around quality care delivery, our people and medical school partners, and their important role in the practice of care and training future healthcare providers

Promote the system across all of Harris County with diverse communities in mind

Create an integrated media plan that will penetrate the market and reach target audiences through multiple platforms and mediums

FOCUSING AUDIENCE INVESTMENT BASED ON OPPORTUNITY, DRIVING SUPPORT FROM THE BOTTOM-UP



The unfamiliars
Those who do not know who or what Harris Health is through word-of-mouth and increased awareness

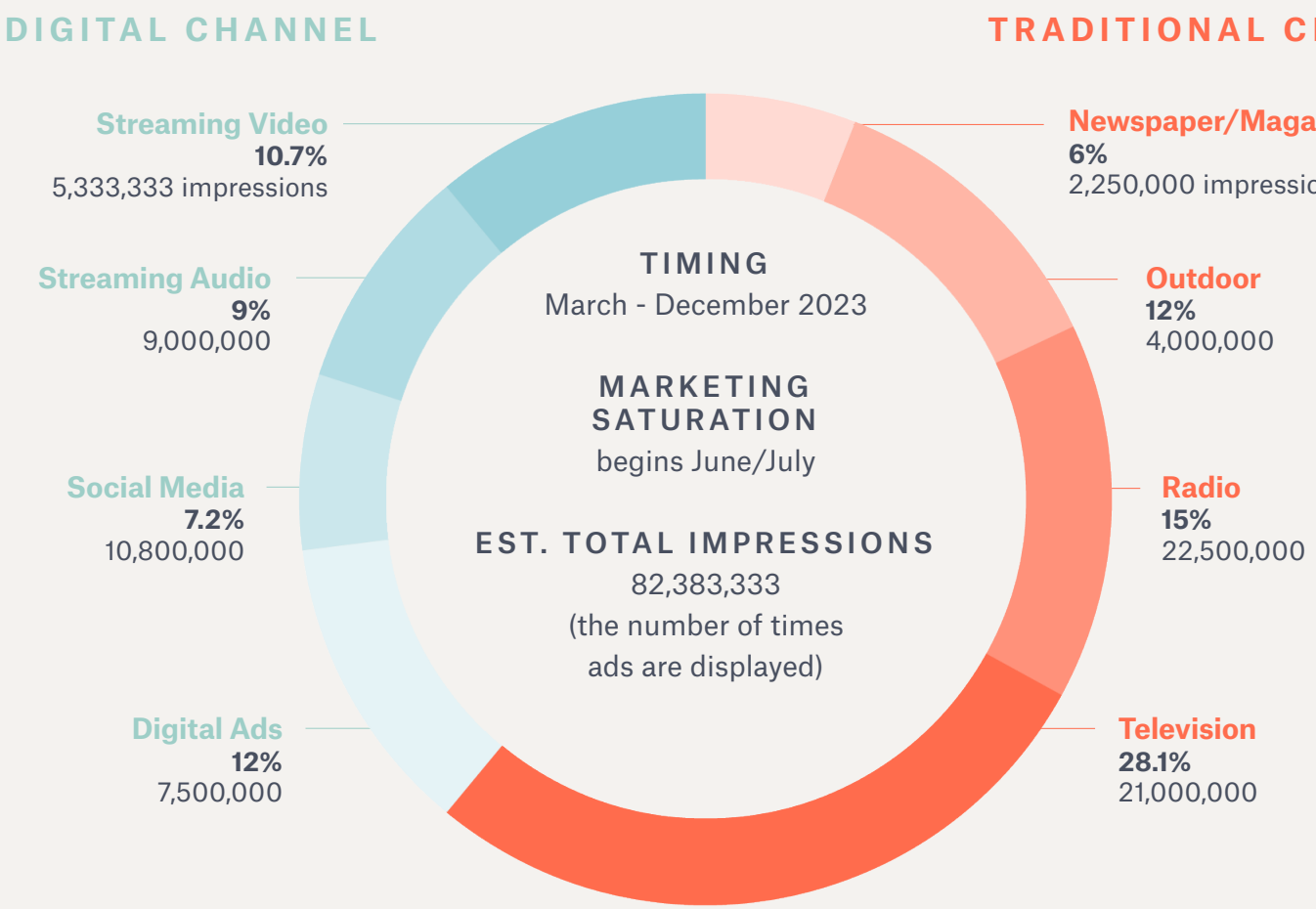
The movables
Those who are likely to support Harris Health to move from apathy to a held belief

The recognizers
Those who are likely to understand why Harris Health is important within healthcare and economically

The experiencers
Those who have received care at Harris Health or have seen it impact those around them

The true believers
Those who actively advocate and believe in Harris Health's mission because they are part of it

Media strategy recommendation



The media strategy is designed to reach Houston's diverse audiences:
(1) diverse audiences are considered in total market reach to reflect the market, and (2) our media plan approach will include channel spend and media platforms targeted to in-culture and/or in-language multicultural reach (to be outlined in the buying process)

Next steps

Finalize creative concepts for execution

Highlight key elements of the strategic communications plan, along with creative

Media strategy and production begins in March

Market saturation begins in June/July

Thursday, February 23, 2023

Update Regarding Minority/Woman-owned Business Enterprises (MWBE) Utilization Report

Appendix I: Year-to-Date Contract Awards

			A	B	C=A+B	D=B/C
Contract Awards with M/WBE Goals	**Total Contract Count**	**M/WBE Contract Count**	**Non M/WBE Amount**	**M/WBE Amount**	**Total Amount Awarded**	**M/WBE %**
Construction	1	1	$ -	$ -	$ -	35.0%*
Goods and Services	2	2	$ 112,500	$ 312,500	$ 425,000	73.5%
Professional Services	2	2	$ 26,365,329	$ 11,413,713	$ 37,779,042	30.2%
Total	**5**	**5**	**$ 26,477,829**	**$ 11,726,213**	**$ 38,204,042**	**30.7%**
Contract Awards without Subcontracting Opportunities	**Contract Count**	**M/WBE Contract Count**	**Non M/WBE Amount**	**M/WBE Amount**	**Total Amount Awarded**	**M/WBE %**
Co-op[1]	*4*	*1*	$ 2,175,775	$ 707,260	$ 2,883,035	24.5%
Drop Shipped	*6*	*0*	$ 3,531,280	$ -	$ 3,531,280	0.0%
Limited MWBE Availability	*6*	*0*	$ 22,574,176	$ -	$ 22,574,176	0.0%
Non-Divisible	*15*	*2*	$ 8,430,277	$ 344,242	$ 8,774,519	3.9%
Specialized, Technical, or Unique in Nature	*10*	*2*	$ 2,328,282	$ 214,742	$ 2,543,024	8.4%
Total	**41**	**5**	**$ 39,039,790**	**$ 1,266,244**	**$ 40,306,034**	**3.1%**
Contracts awarded in this category were evaluated for M/WBE participation and was determined there were no subcontracting opportunities.						
Total Eligible	**46**	**10**	**$ 65,517,619**	**$ 12,992,457**	**$ 78,510,076**	**16.5%**
Contract Awards Exempt from the M/WBE Program	**Contract Count**	**M/WBE Contract Count**	**Non M/WBE Amount**	**M/WBE Amount**	**Total Amount Awarded**	**M/WBE %**
Grants	*0*	*0*	$ -	$ -	$ -	N/A
Interlocal Agreement	*4*	*0*	$ 45,082,974	$ -	$ 45,082,974	0.0%
GPO	*39*	*2*	$ 158,141,226	$ 630,747	$ 158,771,973	0.4%
Loan Transaction	*0*	*0*	$ -	$ -	$ -	N/A
Personal Services	*4*	*1*	$ 277,664	$ 100,000	$ 377,664	26.5%
Public Health or Safety	*10*	*1*	$ 3,119,110	$ 900,000	$ 4,019,110	22.4%
Real Estate	*0*	*0*	$ -	$ -	$ -	N/A
Sole Source	*9*	*0*	$ 1,920,405	$ -	$ 1,920,405	0.0%
Total Exempt	**9**	**4**	**$ 208,541,379**	**$ 1,630,747**	**$ 210,172,126**	**0.8%**
Total New Awards	**55**	**14**	**$ 274,058,998**	**$ 14,623,204**	**$ 288,682,202**	**5.1%**
Awards Procured Prior to the Program Start Date	180	5	$ 212,353,416	$ 3,766,540	$ 216,119,956	1.7%
Grand Total	**235**	**19**	**$ 486,412,414**	**$ 18,389,744**	**$ 504,802,158**	**3.6%**

A. Non M/WBE Amount - Dollars awarded to non-certified firms. Non-certified prime contractors and non-certified subcontractors are both utilized on projects, therefore this category includes prime and subcontractors.

B. M/WBE Amount - Dollars awarded to certified M/WBE firms. Certified M/WBEs can serve as both prime and subcontractors, therefore prime and subcontractors are both included in this category.

C. Total Amount Awarded - Total contract dollars awarded to certified and non-certified firms.

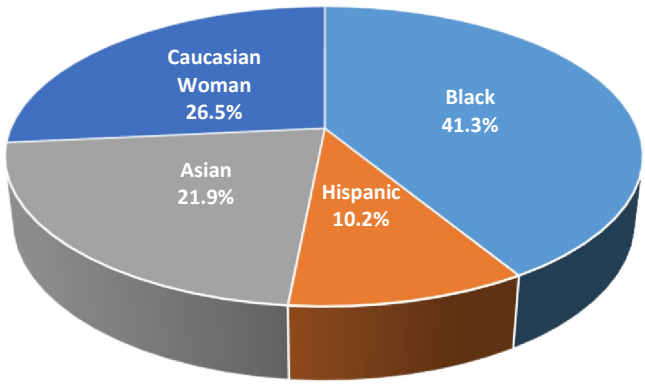
D. M/WBE % - Percentage of the amount awarded to certified firms compared to the total amount awarded to certified and non-certified firms

[1]Co-op agreements with Harris County do not reflect subcontractor awards.

Appendix II: Year-to-Date M/WBE Contract Awards by Ethnicity & Gender

	Black	Hispanic	Asian	Native American	MBE Total	Caucasian Women	M/WBE Total
# of Contracts Awarded	3	3	8	0	14	11	25
Total MWBE Award Amount	$7,598,236	$1,877,525	$4,032,556	$ -	$13,508,317	$4,881,427	$18,389,744
Total MWBE Award %	**41.3%**	**10.2%**	**21.9%**	**0.0%**	**73.5%**	**26.5%**	**100.0%**

The count in each chart represents the number of contracts with prime or subcontractors awards. The percentage represents the portion of dollars awarded to certified firms compared to the total dollar amount awarded to all certified firms. Our contractor diversity management system was procured in November 2022 and is currently in a developmental stage. Harris Health did not track subcontractor awards prior to this system.



Appendix III: Year-to-Date M/WBE Disparity Study Comparison

At the completion of the 2022 Disparity Study, Harris Health adopted the recommended 20% Aspirational goal for M/WBE participation. Utilizing contracts eligible for M/WBE participation (goal-oriented contracts and contracts without subcontracting opportunities), we have awarded 16.5% of contract awards to M/WBE prime contractors and subcontractors. This represents an 8.6% increase as compared to the Disparity Study.

		Black	Hispanic	Asian	Native American	MBE Total	Caucasian Women	M/WBE Total	Non-M/WBE	Total
Feb 2023 Report	Eligible awards	$7,498,236	$1,877,525	$1,106,016	$ -	$10,481,777	$2,510,680	**$12,992,457**	$65,517,619	$78,510,076
	Contract Award %	9.6%	2.4%	1.4%	0.0%	13.4%	3.2%	**16.5%**	83.5%	100.0%
Disparity Study	Contract Dollars %	0.0%	2.3%	0.3%	0.0%	2.6%	5.3%	**7.9%**	92.1%	100.0%
	% Change	*9.6%*	*0.1%*	*1.1%*	*0.0%*	*10.8%*	*-2.1%*	***8.6%***	*-8.6%*	

DeWight Dopslauf, C.P.M., CPPO
Harris County Purchasing Agent

February 9, 2023

Board of Trustees Office
Harris Health System

RE: Board of Trustees Meeting – February 23, 2023
Budget and Finance Agenda Items

The Office of the Harris County Purchasing Agent recommends approval of the attached procurement actions. All recommendations are within the guidelines established by Harris County and Harris Health System.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
JA/ea
Attachments

1111 Fannin, 12th Floor, Houston, TX 77002 Tel 713-274-4400 Fax 713-755-6695

Budget and Finance Agenda Items for the Harris County Hospital District dba Harris Health System - Board of Trustees Report

Expenditure Summary: February 23, 2023 (Approvals)

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost
A1	**HKS, Inc. (HCHD-733)** MWBE Goal: 30%	**Professional Architectural and/or Engineering Services for the New Lyndon B. Johnson Hospital for Harris Health System** - The additional funds provides for consulting services for community outreach engagement, medical equipment and information technology planning services to be subcontracted through PPG Global and IMEG for the new Lyndon B. Johnson Hospital. ***Job No. 210413, Board Motion 22.10-141***	Additional Funds	Teong Chai	$ 40,497,587	**$ 7,040,202**
A2	**Physician Resources, Inc. (HCHD-755)** MWBE Goal: 0% Minimal Availability	**Temporary Locum Tenens Coverage for Harris Health System** - To provide physician medical services to the Harris County jails. ***Professional Services Exemption, Board Motion 22.02-20***	Renewal Professional Services Exemption March 01, 2023 through February 29, 2024	Kiki Teal	$ 6,000,000	**$ 6,000,000**
A3	**Marsh USA, Inc. (GA-07436)** MWBE Goal: 0% Non-Divisible	**All Risk Property Insurance and Boiler and Machinery Coverage for Harris Health System** - To provide for continued real estate, personal property, boiler and machinery, and cyberliability insurance for Harris Health System until a competitive bid process is completed. ***Job No. 180048, Board Motion 22.04-56***	Renewal May 01, 2023 through April 30, 2024	Victoria Nikitin	$ 5,100,000	**$ 4,500,000**
A4	**Mint Medical Physician Staffing, LP dba Mint Physician Staffing (HCHD-588)** MWBE Goal: 0% Minimal Availability	**Temporary Locum Tenens Coverage for Harris Health System** - To provide physician medical services to the Harris County jails. ***Professional Services Exemption***	Renewal Professional Services Exemption March 01, 2023 through February 29, 2024	Kiki Teal	$ 3,000,000	**$ 3,000,000**
A5	**Gifted Nurses LLC dba Gifted Healthcare (HCHD-408)** MWBE Goal: 0% Minimal Availability	**Temporary Nursing Personnel for Harris Health System** - To provide temporary staffing of nursing personnel to meet the demands of patient healthcare at various locations throughout the Harris Health System. ***Professional Services Exemption, Board Motion 22.03-40***	Renewal Professional Services Exemption March 21, 2023 through March 20, 2024	Pamela Russell	$ 916,196	**$ 1,860,000**
A6	**Livongo Health, Inc (GA-06816)** MWBE Goal: N/A Procured Prior to MWBE Program	**Diabetes Management Program for Harris Health System** - The extension and additional funds are required to provide for continued comprehensive diabetes and hypertension management programs that will increase member engagement and improve overall health and well-being at Harris Health System until the competitive procurement process is complete. ***Job No. 160182, Board Motion 22.02-20***	Additional Funds Extension May 19, 2022 through May 18, 2023	Omar Reid	$ 2,078,902	**$ 1,800,000**
A7	**Sanofi Pasteur Inc. (PPPH18CNT02)** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Influenza Vaccines for the 2023 - 2024 Season for the Harris Health System** - To provide influenza vaccines for Harris Health System patients. ***Premier Healthcare Alliance, L.P. Contract***	Award Best Offer(s) Meeting Requirements	Michael Nnadi		**$ 1,708,297**

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost
A8	**Lumens Technology, Inc. (GSA Contract # 47QTCA20D0077)** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Redundant Data Circuits for the ACS Clinics for Harris Health System** - To provide redundant data circuit service for the Ambulatory Care Services clinics for a thirty-six (36) months term. Providing a diverse connection to the clinics with a redundant provider is essential to keeping services online to support patient care. ***Government Services Administration (GSA) Cooperative Purchasing Program***	Purchase Only quote	Ronald Fuschillo		**$ 1,219,329**
A9	**Oracle America, Inc. (DIR-TSO-4158)** MWBE Goal: N/A Sole Source	**Annual software maintenance renewal for the Oracle Enterprise Resource Planning System Software for Harris Health** - To provide annual software maintenance for the entire suite of Oracle PeopleSoft applications. ***State of Texas Department of Information Resources (DIR) Cooperative ContractSole Source Exemption***	Purchase Sole Source Exemption Only quote March 01, 2023 through February 29, 2024	Ronald Fuschillo		**$ 992,655**
A10	**Crothall Facilities Management (HCHD-331)** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Maintenance Services of Biomedical Equipment for the Harris Health System** - To continue providing maintenance services for biomedical equipment throughout Harris Health System ***Premier Healthcare Alliance, L.P. Contract, Board Motion 22.01-06***	Renewal March 01, 2023 through February 29, 2024	James Young	$ 740,739	**$ 988,620**
A11	**Hill-Rom Company, Inc. (AD-NS-1566)** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Patient Beds Rental for the Harris Health System** - To continue supporting Harris Health System with rental of patient beds. ***Premier Healthcare Alliance, L.P. Contract, Board Motion 22.04-56***	Funding Yr. 2 March 01, 2023 through February 29, 2024	Doug Creamer	$ 884,544	**$ 884,544**
A12	**Oracle America, Inc. (DIR-TSO-4158)** MWBE Goal: N/A Sole Source	**Oracle Database Maintenance Renewal for Harris Health** - To provide annual software maintenance for the following Oracle products: Database Enterprise, Access Manager, Identity Governance Suite, Active Data Guard, Diagnostics Pack, Real Application Clusters, Tuning Pack, Advanced Compression, Database Lifecycle Management Pack, and Partitioning. ***State of Texas Department of Information Resources (DIR) Cooperative ContractSole Source Exemption, Board Motion 22.02-20***	Purchase Sole Source Exemption Only quote March 01, 2023 through February 29, 2024	Ronald Fuschillo		**$ 751,921**
A13	**Netsync Network Solutions, Inc.** MWBE Goal: 100%	**Video Conference Upgrades for 23 locations for Harris Health System** - To provide and install a WebEx conferencing system in 23 locations throughout Harris Health System. The system will include ceiling speakers, ceiling mics, and cameras. The conference rooms are located at various Ambulatory Care Services clinics. In addition, conference rooms at Ben Taub Pharmacy and Corporate Compliance will also be impacted. ***State of Texas Department of Information Resources (DIR) Cooperative Contract***	Purchase Low quote	Ronald Fuschillo		**$ 663,536**

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost
A14	**Mark III Systems, Inc.** MWBE Goal: 100%	**VMWare Servers Technology Refresh for Harris Health System** - To provide for twenty-four (24) servers located at the data centers in Bryan, TX, and Houston, TX that are over five (5) years old, have reached their end of life, and need to be replaced. These servers support the VMWare environment for Epic, Microsoft, Business Intelligence, and Oracle databases. ***State of Texas Department of Information Resources (DIR) Cooperative Contract***	Purchase Low quote	Ronald Fuschillo		**$ 619,480**
A15	**Forvis, LLP (HCHD-405)** MWBE Goal: N/A Procured Prior to MWBE Program	**Professional Accounting Services for Harris Health System** - To continue to provide consulting services to prepare a strategic long-range financial plan for Harris Health System. ***Professional Services Exemption, Board Motion 21.0.5-55***	Ratify Renewal Professional Services Exemption June 06, 2022 through June 06, 2023	Victoria Nikitin	$ 500,000	**$ 500,000**
A16	**Veritiv Operating Company (21/034SG-01)** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Ice Gel Packs and Styrofoam Coolers** - To provide ice gel packs and styrofoam coolers for Harris Health Central Fill Pharmacy. ***Choice Partners, a division of Harris County Department of Education Cooperative Program***	Purchase Best quote meeting specifications June 16, 2022 through June 15, 2023	Michael Nnadi		**$ 446,450**
A17	**EAN Holdings, LLC** MWBE Goal: 0% Drop Shipped	**Rental of Vehicles for Harris Health System** - To provide rental vehicles for use throughout Harris Health System. Purchase Order will be issued to process invoices from November/2022-January/2023. ***Job No. 220272***	Ratify October 11, 2022 through September 30, 2023	Tim Brown		**$ 432,000**
A18	**Ironside Human Resources (HCHD-415)** MWBE Goal: 0% Minimal Availability	**Temporary Nursing Personnel for Harris Health System** - To provide for temporary staffing of nursing personnel at various locations throughout the Harris Health System. ***Professional Services Exemption, Board Motion 22.03-40***	Renewal Professional Services Exemption March 11, 2023 through March 10, 2024	Pam Russell	$ 375,363	**$ 375,363**
A19	**Heidelberg Engineering (GA-07151)** MWBE Goal: N/A Procured Prior to MWBE Program	**Optical Coherence Tomography Machine** - To provide one (1) Optical Coherence Tomography (OCT) machine to El Franco Lee Health Center. ***Job No. 170295***	Renewal Best proposal meeting requirements February 23, 2022 through February 22, 2023	Teong Chai	$ 0	**$ 184,000**
A20	**PDC Healthcare (Precision Dynamics Corporation) (PP-NS-1616)** MWBE Goal: N/A Exempt GPO/Co-op	**Labels, Identification Bands and Related Products** - To provide labels, identification bands and related products for Harris Health System. ***Premier Healthcare Alliance, L.P. Contract***	Best Contract(s) August 01, 2022 through July 31, 2023	Douglas Creamer	$ 351,285	**$ 347,192**
A21	**Rentokil North America, Inc. (HCHD-385)** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Integrated Pest Management Services for Harris Health System** - To continue providing integrated pest management services throughout Harris Health System ***Premier Healthcare Alliance, L.P. Contract, Board Motion 22.02-20***	Renewal March 30, 2023 through March 29, 2024	Chris Okezie	$ 300,300	**$ 315,000**

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost
A22	**Lumens Technology, Inc. (GSA Contract # 47QTCA20D0077)** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Data Circuits Renewal for Harris Health System.** - To provide renewal circuits that transmit data between the data centers in FiberTown – Houston, FiberTown – Bryan, Ben Taub, and Fournace for a thirty-six (36) months term.. ***Government Services Administration (GSA) Cooperative Purchasing Program***	Purchase Only quote	Ronald Fuschillo		**$ 288,303**
A23	**Nova Biomedical Corporation (HCHD-300)** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Inpatient Point of Care Glucometer Analyzers, Reagents, Consumables, Service and Training** - To continue providing reagents and consumables for inpatient glucometers throughout Harris Health System. ***Premier Healthcare Alliance, L.P. Contract, Board Motion 20.12-149***	Ratify Funding Yr. 2 June 07, 2022 through June 06, 2023	Michael Nnadi	$ 241,107	**$ 241,107**
A24	**LeeAnn Thieman dba SelfCare for Healthcare (HCHD-525)** MWBE Goal: N/A Personal Services Agreement	**Consulting Service for Nursing Engagement, Retention and Wellness for Harris Health System** - To implement SelfCare for HealthCare Program, which includes efforts to increase retention, engagement, and work life balance for nurses to be in better mental, physical, and spiritual health and in turn will provide better care, outcomes, and satisfaction for patients. ***Personal Services Exemption, Board Motion 21.10-101***	Ratify Renewal Personal Services Exemption February 01, 2023 through January 31, 2024	Pamela Russell	$ 163,000	**$ 195,500**
A25	**Connection (PP-IT-238)** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Maintenance and Support for CheckPoint PointSec for Harris Health System** - To provide continued maintenance and support for CheckPoint PointSec hard disk and media encryption solution. This solution allows encryption capabilities to meet HIPAA standards and security best practices. ***Premier Healthcare Alliance, L.P. Contract***	Award Lowest Offer	Jeffrey Vinson		**$ 192,001**
A26	**ICU Medical (PP-NS-1633)** **Cardinal Health (PP-NS-1631)** **Becton, Dickinson and company (PP-NS-1630)**	**Safety Hypodermic Products** - To provide Harris Health System with hypodermic products that have an attached safety device to prevent accidental sharp injuries. ***Premier Healthcare Alliance, L.P. Contract, Board Motion 21.09-86*** MWBE Goal: N/A Exempt GPO/Co-op Sourced	Best Contract(s) October 01, 2022 through September 30, 2023	Douglas Creamer	$ 150,355	**$ 150,355**
A27	**Devicor Medical Products, Inc.** MWBE Goal: 0% Drop Shipped	**Gamma Detection Systems** - To provide two (2) Gamma Detection Systems to be used in various oncology procedures for Perioperative Services at Ben Taub Hospital. ***Job No. 220290***	Award Best proposal meeting requirements	Louis Smith		*
A28	**AbbVie US LLC** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Biological Mesh Products** - To provide Harris Health System with biological mesh products used for hernia repair and abdominal wall reconstruction. ***Premier Healthcare Alliance, L.P. Contract, Board Motion 21.08-77***	Best Contract(s) October 01, 2022 through September 30, 2023	Douglas Creamer	$ 135,992	**$ 138,517**

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost
A29	**Epic Systems Corporation (GA-04577)** MWBE Goal: N/A Sole Source	**Epic Hello World Telehealth Software for Harris Health System** - To provide Telehealth Software that will support the system's strategic plan by allowing for an Epic centralized telehealth environment for our providers and patients, as well as create a foundation for centralized outreach, education and communication between the system and patients. ***Sole Source Exemption***	Purchase Sole Source Exemption	Ronald Fischillo		**$ 137,000**
A30	**B.Braun Medical, Inc. (AD-OR-2041)** MWBE Goal: N/A Procured Prior to MWBE Program	**Regional Anesthesia Trays and Supplies** - To continue providing Harris Health System with regional anesthesia trays and consumables required for epidural and spinal procedures. ***Premier Healthcare Alliance, L.P. Contract, Board Motion 22.09-126***	Funding Yr. 2 March 01, 2023 through February 29, 2024	Douglas Creamer	$ 126,083	**$ 129,865**
A31	**South Texas Nuclear Pharmacy Inc.** MWBE Goal: 100%	**Nuclear Medicine Radiopharmaceuticals and Associated Pharmaceuticals for Harris Health System** - To continue providing nuclear medicine radiopharmaceuticals and associated pharmaceuticals used in nuclear medicine for diagnostic imaging and therapeutic procedures throughout Harris Health System. ***Job No. 180222, Board Motion 22.02-20***	Renewal March 01, 2023 through February 29, 2024	Bradley Jennings	$ 126,250	**$ 126,250**
A32	**Letourneau Interests, Inc.** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Furniture and Systems, Casegoods, Seating and Accessories** - To provide furniture for Ben Taub NPC Levels 3 & 4 renovation project. ***Premier Healthcare Alliance, L.P. Contract***	Award Best Offer(s) Meeting Requirements	Cindy Perez		**$ 122,205**
A33	**Leica Microsystems, Incorporated (GA-06658)** MWBE Goal: N/A Public Health or Safety	**Maintenance and repair services for Leica instruments** - To provide maintenance and repair services for Leica instrumentation for Ben Taub and Lyndon B. Johnson Hospitals. ***Public Health or Safety Exemption, Board Motion 22.02-20***	Additional Funds Extension Public Health or Safety Exemption March 01, 2022 through February 28, 2023	James Young	$ 120,246	**$ 120,246**
A34	**Aon Hewitt Investment Consulting, Inc. (GA-07380)** MWBE Goal: N/A Procured Prior to MWBE Program	**Investment and Consulting Services for the Harris Health System** - Additional funds cover the services paid for by the Harris County Hospital District Pension Trust. ***Job No. 180102, Board Motion 22.09-126***	Ratify Additional Funds October 01, 2022 through September 30, 2023	Kari McMichael	$ 115,724	**$ 115,724**
A35	**Pitney Bowes, Inc. (HCHD-276)** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Lease Mail Equipment, Mail Sorting Services and Send Suite Shipping Solutions Software for Harris Health System** - To continue providing equipment and software for labeling, postage and tracking of letters and packages for the Harris Health System. ***Texas Association of School Boards (TASB) BuyBoard Cooperative Program, Board Motion 22.05-07***	Ratify Renewal February 01, 2023 through January 31, 2024	Doug Creamer	$ 103,364	**$ 103,364**

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost
A36	**Cority Software (USA), Inc. fka Axion Health, Inc. (GA-05162)** MWBE Goal: N/A Public Health or Safety	**ReadySet™ for Healthcare Web-based Software for Harris Health System** - Additional funds are required to cover the extended term. The term is being extended to continue to provide for a HIPAA and CMS-compliant web-based software system for clinically based, employee well-being solutions including a COVID-19 module that provides a Travel Screening Survey, Staff Exposure questionnaire, and Patient under Investigation (PUI) form for case report information. ***Public Health or Safety Exemption, Board Motion 22.05-67***	Additional Funds Extension Public Health or Safety Exemption March 12, 2022 through March 11, 2023	Omar Reid	$ 128,794	**$ 93,000**
A37	**Agfa HealthCare Corporation (GA-07304) (PP-IM-297)** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Agfa Healthcare Cardiology Imaging Solution for the Harris County Sherrif's Office Correctional Health facility.** - To implement Software and Services at the Harris County Sherrif's Office Correctional Health facility, which will allow the clinicians to utilize the Agfa Healthcare Imaging system at Harris Health System for cardiology imaging services. ***Premier Healthcare Alliance, L.P. Contract***	Additional Funds	Ronald Fuschillo	$ 99,690	**$ 90,197**
					Total Expenditures	$ 37,197,156
					Total Revenue	$ (0)

Budget and Finance Agenda Items for the Harris County Hospital District dba Harris Health System - Board of Trustees Report

Expenditure Summary: February 23, 2023 (Transmittals)

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost
B1	**Strawn Pickens LLC (HCHD-738)** MWBE Goal: N/A Procured Prior to MWBE Program	**Legal Services for Harris Health System** - Legal services related to Harris County jail detainee claims and litigation brought against Harris Health System. ***Professional Services Exemption***	Renewal Professional Services Exemption March 01, 2023 through February 29, 2024	Sara Thomas	$ 0	**$ 100,000**
B2	**RLDatix North America, Inc. (GA-04684)** MWBE Goal: N/A Sole Source	**Risk Management Software Support for Harris Health System** - To provide support for the risk management software that tracks and reports incidents occurrence throughout the organization and one-time migration services fees. ***Sole Source Exemption***	Renewal Sole Source Exemption April 01, 2023 through March 31, 2024	Ronald Fuschillo	$ 75,810	**$ 94,795**
B3	**Connection, Inc. (PP-IT-238)** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Topaz eSignature Pads for Harris Health System** - The eSignature pads will give providers the tools to obtain the patient's consent electronically for medical treatment. 250 Topaz eSignature pads are needed as spares during warranty repairs, technology refresh, and net new requests. ***Choice Partners, a division of Harris County Department of Education Cooperative ProgramPremier Healthcare Alliance, L.P. Contract***	Award Purchase Lowest Offer	Ronald Fuschillo		**$ 85,703**
B4	**SHI Government Solutions (DIR-TSO-4288)** MWBE Goal: 100%	**Tableau Licenses Maintenance Renewal for dba Harris Health System** - To provide renewal for the Tableau Creator software licenses, which is a data visualization application used for business intelligence. Tableau queries relational databases, online analytical processing cubes, cloud databases, and spreadsheets to generate graph-type data visualizations. ***State of Texas Department of Information Resources (DIR) Cooperative Contract***	Purchase Low quote	Ronald Fuschillo		**$ 85,037**
B5	**OptumRx Inc. (GA-06851)** MWBE Goal: N/A Procured Prior to MWBE Program	**Pharmacy Benefit Manager Services for Harris Health System** - Additional funds are needed to meet the increased demand for vendor's services of providing Harris Health System with employee and retiree medical and pharmacy benefits. ***Job No. 160065, Board Motion 22.03-40***	Additional Funds March 01, 2022 through February 28, 2023	Omar Reid	$ 180,825	**$ 80,000**
B6	**Siemens Healthcare Diagnostics, Inc.** MWBE Goal: N/A Sole Source	**Informatics Sale and Licensing Agreement for UniPOC Middleware for Correctional Health** - UniPOC middleware is needed at Correctional Health in order to connect Point of Care devices to EPIC Beaker, Harris Health's Laboratory Information System. ***Sole Source Exemption***	Purchase Sole Source Exemption One (1) year initial term with four (4) one-year renewal options	Reginald Jean-Jacques		**$ 74,488**
B7	**Erbe USA, Inc. (PP-OR-1995)** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Gastrointestinal Endoscopy Products** - To replace the existing electrosurgical, argon plasma coagulation system and cryosurgical units that are no longer supported by the manufacturer at Lyndon B. Johnson Hospital. ***Premier Healthcare Alliance, L.P. Contract***	Award Best Offer(s) Meeting Requirements	Teong Chai		**$ 68,112**

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost
B8	**Cotton Commercial USA, Inc** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Water damage repairs at Ben Taub Hospital** - To restore offices and restrooms to usable condition after flooding. ***OMNIA Partners, Public Sector Cooperative Purchasing Program***	Purchase Only quote	Benny Stansburry		**$ 68,015**
B9	**Set Solutions, Inc. (Choice Partners #21/031KN-55)** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Radware Web Application Firewall (WAF) Support for Harris Health System** - To provide support for the Radware WAF solution to protect Harris Health System web applications from cyber-attacks. Radware technology is used for denial of service prevention providing more in-depth monitoring of critical application systems. ***Choice Partners, a division of Harris County Department of Education Cooperative Program***	Purchase Low quote	Jeffrey Vinson		**$ 65,591**
B10	**Angiodynamics Inc.** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Implantable Infusion Ports** - To provide Harris Health System with disposable vaginal speculums that are single use, smooth, comfortable and designed for routine gynecological exams. ***Premier Healthcare Alliance, L.P. Contract***	Best ASCEND Contract July 01, 2022 through June 30, 2023	Douglas Creamer	$ 60,106	**$ 63,907**
B11	**SHI Government Solutions, Inc. (HCHD-598) (OMNIA Contract# 2018011-02)** MWBE Goal: 100%	**Web-Based Easy Projects Management Software Maintenance Renewal for Harris Health System.** - To provide support and manage project intake, portfolio, and project management requirements of the different Project Management groups within Harris Health System. ***OMNIA Partners, Public Sector Cooperative Purchasing Program***	Renewal January 24, 2023 through January 23, 2024	Ronald Fuschillo	$ 81,117	**$ 58,331**
B12	**Cardinal Health (AD-NS-1655)** MWBE Goal: N/A Exempt GPO/Co-op Sourced	**Hot and Cold Packs** - To provide Harris Health System with heating and cooling items related to the treatment or reduction of pain and swelling due to minor procedures or maintenance of warmth. ***Premier Healthcare Alliance, L.P. Contract***	Best ASCEND Contract December 01, 2022 through November 30, 2023	Douglas Creamer	$ 58,229	**$ 58,229**
B13	**3M Company (AD-NS-996)** **3M Company (AD-NS-996)** MWBE Goal: N/A Exempt GPO/Co-op	**Transparent Dressing** - Provide transparent dressings allowing for visual inspection of the site being monitored for Harris Health System. ***Premier Healthcare Alliance, L.P. Contract***	Best ASCEND Contract July 01, 2022 through June 30, 2023	Douglas Creamer	$ 55,107	**$ 55,107**
B14	**CDW Government, LLC. (PP-IT-242)** MWBE Goal: N/A Exempt GPO/Co-op	**Security Scorecard (SSC) Licensing for Harris Health System** - To provide for the Security Scorecard Licensing, which enables third-party risk monitoring of vendors that provide services and support to the organization. ***Premier Healthcare Alliance, L.P. Contract***	Award Lowest Offer	Jeffrey Vinson		**$ 54,447**
B15	**Nuance Communications, Inc. (GA-05939)** MWBE Goal: N/A Sole Source	**Software License, Maintenance and Support for Speech (Voice) recognition System for the Harris County Sherriff's Office Correctional Health facility.** - Additional funds are needed to implement the Nuance PowerScribe Voice Dictation system for the Harris County Sherriff's Office Correctional Health facility allowing the clinicians to utilize the radiology voice dictation system. ***Sole Source Exemption, Board Motion 22.04-56***	Additional Funds Sole Source Exemption May 19, 2022 through May 18, 2023	Ronald Fuschillo	$ 175,687	**$ 51,890**

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost
B16	**Beeman & Muchmore, LLP (HCHD-909)** MWBE Goal: N/A Procured Prior to MWBE Program	**Legal Services for Harris Health System** - To provide Harris Health System with additional funding for the vendor's legal counsel regarding a software licensing dispute matter. ***Professional Services Exemption***	Additional Funds Professional Services Exemption October 20, 2022 through October 19, 2023	Sara Thomas	$ 48,000	**$ 12,000**
					Total Expenditures	$ 1,075,652
					Total Revenue	$ (0)

BOARD OF TRUSTEES

Compliance and Audit Committee

HARRISHEALTH SYSTEM

Thursday, February 09, 2023

Consideration of Acceptance of the Harris Health System Independent Auditor's Report and Financial Statements for the Stub Year Ended September 30, 2022

Representatives from the external audit firm FORVIS, LLP, will provide an overview of the results of the audit engagement for the Harris Health System for the Budget and Finance Committee's consideration and approval.

A copy of the draft report is attached.

Management recommends the acceptance of the Harris Health System Independent Auditor's Report and Financial Statements for the Stub Year Ended September 30, 2022.

DRAFT

Harris County Hospital District
d/b/a Harris Health System
A Component Unit of Harris County, Texas

Independent Auditor's Report and Financial Statements

September 30, 2022

Harris County Hospital District
d/b/a Harris Health System
A Component Unit of Harris County, Texas
September 30, 2022

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Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Harris County Hospital District, d/b/a Harris Health System (the System), a component unit of Harris County, Texas, as of and for the seven-months ended September 30, 2022 and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the System as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the seven-months then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Harris County Hospital District Foundation (Foundation), a discretely presented component unit of the System, which represents 5.0 percent of total assets, 11.1 percent of net position, and 0.2 percent of revenues of the aggregate discretely presented component units as of and for the seven-months ended September 30, 2022. Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in *Note 2* to the financial statements, on March 1, 2022, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the pension, and other postemployment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Dallas, Texas
February __, 2023

Harris County Hospital District
d/b/a Harris Health System
A Component Unit of Harris County, Texas
Statement of Net Position
September 30, 2022
(In thousands)

Assets and Deferred Outflows of Resources	Harris Health System	Component Units: Foundation February 28, 2022	Component Units: Community Health Choice, Inc. December 31, 2021	Component Units: Community Health Choice Texas, Inc. December 31, 2021
Current Assets				
Cash and cash equivalents	$ 565,426	$ 165	$ 44,217	$ 383,980
Short-term investments	257,382	-	-	-
Accounts receivable – net of allowance for uncollectible accounts of $44,138	114,899	-	-	-
Inventories	10,669	-	-	-
Medicaid supplemental programs receivable	481,352	-	-	-
Prepaid expenses and other current assets	29,409	3,899	228,480	82,305
Estimated third-party payor settlements	56,571	-	-	-
Due from Community Health Choice, Inc.	9,465	-	-	63,833
Restricted cash and cash equivalents - Local Provider Participation Fund	71,007	-	-	-
Current portion of assets limited as to use or restricted	7,904	-	-	-
Total current assets	1,604,084	4,064	272,697	530,118
Assets Limited as to Use or Restricted – Net of Current Portion				
Debt service	25,790	-	-	-
Capital gift proceeds	45,341	-	-	-
Series 2020 capital asset fund	6,196	-	-	-
Other	1,048	33,677	3,325	100
Total assets limited as to use or restricted – net	78,375	33,677	3,325	100

See notes to the consolidated financial statements

Harris County Hospital District
d/b/a Harris Health System
A Component Unit of Harris County, Texas
Statement of Net Position (Continued)
September 30, 2022
(In thousands)

Assets and Deferred Outflows of Resources (Continued)	Harris Health System	Component Units: Foundation February 28, 2022	Component Units: Community Health Choice, Inc. December 31, 2021	Component Units: Community Health Choice Texas, Inc. December 31, 2021
Capital Assets				
Land and improvements	$ 47,449	$ -	$ -	$ -
Buildings and fixed equipment	729,395	-	-	-
Major movable equipment	439,439	-	-	-
Less accumulated depreciation	(801,364)	-	-	-
Total depreciable capital assets – net	414,919	-	-	-
Construction in progress	171,764	-	-	-
Capital assets – net	586,683	-	-	-
Lease Assets, Net	47,888	-	-	-
Other Assets				
Ad valorem taxes receivable – net of current portion and allowance for uncollectible taxes of $49,748	3,140	-	-	-
Long-term investments	-	-	-	6,223
Other assets	8,040	4,874	-	-
Total other assets	11,180	4,874	-	6,223
Total assets	2,328,210	42,615	276,022	536,441
Deferred Outflows of Resources				
Derivative financial instrument	385	-	-	-
Resources related to pension	72,781	-	-	-
Resources related to OPEB	115,371	-	-	-
Loss on refunding revenue bonds	7,180	-	-	-
Total deferred outflows of resources	195,717	-	-	-
Total assets and deferred outflows of resources	$ 2,523,927	$ 42,615	$ 276,022	$ 536,441

See notes to the consolidated financial statements

Harris County Hospital District
d/b/a Harris Health System
A Component Unit of Harris County, Texas
Statement of Net Position (Continued)
September 30, 2022
(In thousands)

Liabilities, Deferred Inflows of Resources and Net Position	Harris Health System	Component Units: Foundation February 28, 2022	Component Units: Community Health Choice, Inc. December 31, 2021	Component Units: Community Health Choice Texas, Inc. December 31, 2021
Current Liabilities				
Accounts payable and accrued liabilities	$ 149,543	$ 145	$ 19,889	$ 14,351
Interest payable	1,076	-	-	-
Employee compensation and related benefit liabilities	49,608	-	-	-
Postemployment health benefit liability	17,057	-	-	-
Compensated absences	57,781	-	-	-
Intergovernmental transfer obligation	84,885	-	-	-
Medical claims liability	-	-	73,503	228,466
Premium deficiency reserve	-	-	13,226	843
Experience rebate payable	-	-	-	33,797
Liabilities related to the Affordable Care Act	-	-	11,320	-
Due to Harris Health System	-	-	12,659	-
Due to Community Health Choice Texas, Inc.	-	-	63,833	-
Estimated third-party payor settlements	13,537	-	-	-
Current portion of long-term debt	12,495	-	-	-
Current portion of lease liabilities	8,231	-	-	-
Total current liabilities	394,213	145	194,430	277,457
Other Long-Term Liabilities				
Postemployment health benefit liability	445,471	-	-	-
Net pension liability	155,191	-	-	-
Lease liabilities	40,335	-	-	-
Borrowing payable	7,762	-	-	-
Derivative liability	385	-	-	-
Long-Term Debt				
Series 2010 refunding revenue bonds	77,325	-	-	-
Series 2016 refunding revenue bonds - including premium of $9,834	144,784	-	-	-
Series 2016 certificates of obligation - including premium of $4,132	51,537	-	-	-
Series 2020 certificates of obligation - including premium of $3,222	26,787	-	-	-
Total liabilities	1,343,790	145	194,430	277,457

See notes to the consolidated financial statements

Harris County Hospital District
d/b/a Harris Health System
A Component Unit of Harris County, Texas
Statement of Net Position (Continued)
September 30, 2022
(In thousands)

Liabilities, Deferred Inflows of Resources and Net Position (Continued)	Harris Health System	Component Units: Foundation February 28, 2022	Component Units: Community Health Choice, Inc. December 31, 2021	Component Units: Community Health Choice Texas, Inc. December 31, 2021
Deferred Inflows of Resources				
Resources related to pension	88,153	-	-	-
Resources related to OPEB	130,542	-	-	-
Total deferred inflows of resources	218,695	-	-	-
Commitments and Contingencies				
Net Position				
Net investment in capital assets	263,716	-	-	-
Restricted for debt service	33,553	-	-	-
Restricted for purchase of capital assets	45,341	-	-	-
Restricted – other	930	38,110	3,325	100
Unrestricted	617,902	4,360	78,267	258,884
Total net position	961,442	42,470	81,592	258,984
Total liabilities, deferred inflows of resources and net position	$ 2,523,927	$ 42,615	$ 276,022	$ 536,441

See notes to the consolidated financial statements

Harris County Hospital District
d/b/a Harris Health System
A Component Unit of Harris County, Texas
Statement of Revenues, Expenses and Changes in Net Position
Seven-months Ended September 30, 2022
(In thousands)

		Component Units		
	Harris Health System	Foundation February 28, 2022	Community Health Choice, Inc. December 31, 2021	Community Health Choice Texas, Inc. December 31, 2021
Operating Revenues				
Net patient service revenue	$ 396,517	$ -	$ -	$ -
Medicaid supplemental programs revenue	583,321	-	-	-
Premium revenue	-	-	794,445	1,381,057
Other operating revenues	61,422	5,257	494	-
Total operating revenues	1,041,260	5,257	794,939	1,381,057
Operating Expenses				
Salaries, wages, and benefits	631,301	497	15,006	59,807
Pharmaceuticals and supplies	162,785	1	2,241	8,223
Physician services	242,500	-	-	-
Medical claims expense	-	-	728,983	1,209,353
Other purchased services	151,623	4,194	63,153	60,568
Depreciation and amortization	42,402	-	-	-
Total operating expenses	1,230,611	4,692	809,383	1,337,953
Operating Income (Loss)	(189,351)	565	(14,444)	43,104
Nonoperating Revenues (Expenses)				
Ad valorem tax revenues – net	2,237	-	-	-
Tobacco settlement revenues	16,745	-	-	-
Investment income	8,990	7,843	6	88
Interest expense	(6,938)	-	(1,154)	-
Capital grants to Harris Health System	-	(45,900)	-	-
Provider Relief Fund revenue	20,893	-	-	-
Other, net	(193)	(182)	-	1,154
Total nonoperating revenues (expenses) – net	41,734	(38,239)	(1,148)	1,242
Changes in Net Position	(147,617)	(37,674)	(15,592)	44,346
Net Position – Beginning of Period	1,109,059	80,144	97,184	214,638
Net Position – End of Period	$ 961,442	$ 42,470	$ 81,592	$ 258,984

See notes to the consolidated financial statements

Harris County Hospital District
d/b/a Harris Health System
A Component Unit of Harris County, Texas
Statement of Cash Flows
Seven-months Ended September 30, 2022
(In thousands)

Cash Flows from Operating Activities	
Receipts from and on behalf of patients	$ 391,794
Receipts from Medicaid supplemental programs	359,389
Receipts from incentive programs and grants	4,786
Receipts from other revenues	60,325
Payments to suppliers	(549,437)
Payments to employees and for employee benefits	(677,833)
Net cash used in operating activities	(410,976)
Cash Flows from Noncapital Financing Activities	
Contributions and other – net	7
Ad valorem taxes – net	25,822
Receipt of Provider Relief Funds	20,453
Interest paid	(475)
Tobacco settlement revenues	16,745
Net cash provided by noncapital financing activities	62,552
Cash Flows from Capital and Related Financing Activities	
Acquisitions and construction of capital assets	(61,959)
Interest paid on long-term debt and leases payable	(7,078)
Principal paid on long-term debt and leases payable	(6,645)
Net cash used in capital and related financing activities	(75,682)
Cash Flows from Investing Activities	
Receipts of investment income – including realized gains and losses	6,818
Decrease in cash equivalents included in assets limited as to use or restricted	59,077
Purchases of investment securities	(550,574)
Proceeds from sale and maturities of investment securities	765,360
Net cash provided by investing activities	280,681
Net Decrease in Cash and Cash Equivalents	(143,425)
Cash and Cash Equivalents - Beginning of Period	708,851
Cash and Cash Equivalents - End of Period	$ 565,426

See notes to the consolidated financial statements

Harris County Hospital District
d/b/a Harris Health System
A Component Unit of Harris County, Texas
Statement of Cash Flows (Continued)
Seven-months Ended September 30, 2022
(In thousands)

Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating loss	$ (189,351)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	42,402
Changes in operating assets and liabilities:	
Increase in accounts receivable	12,754
Increase in inventories	230
Decrease in Medicaid supplemental program receivable	(222,289)
Increase in prepaid expenses and other assets	3,243
Decrease in estimated third-party payor settlements	(18,033)
Increase in accounts payable and accrued liabilities	7,705
Decrease in employee compensation and related benefit liabilities	(2,543)
Increase in compensated absences	2,093
Decrease in Medicaid supplemental programs revenue received in advance	(1,643)
Decrease in estimated third-party payor settlements	(30)
Decrease in deferred outflows of resources - pension	(35,053)
Decrease in deferred outflows of resources - OPEB	(10,461)
Total adjustments	(221,625)
Net cash used in operating activities	$ (410,976)
Supplemental Disclosures of Noncash Operating, Financing and Investing Activities	
Unrealized loss on investments	$ 100
Amounts related to acquisition of capital assets in accounts payable and accrued liabilities	30,745
Lease obligation incurred for lease assets	4,863

See notes to the consolidated financial statements *10*

Harris County Hospital District
d/b/a Harris Health System
A Component Unit of Harris County, Texas
Notes to Financial Statements
September 30, 2022

Note 1: Organization and Mission

Harris County Hospital District, d/b/a Harris Health System, (the System), a component unit of Harris County, Texas, was created by authorization of the legislature of the State of Texas and subsequent approval by the voters of Harris County, Texas, in November 1965. The System provides patient care to the indigent population of Harris County and receives property taxes levied by Harris County for the provision of this care. The System operates two acute care hospitals and a psychiatric unit, with a total of 617 licensed beds. The System also operates 18 primary care health clinics including the nation's first free-standing HIV/AIDS treatment center; three large multi-specialty clinics; five same day clinics; a free-standing dental center; a dialysis center; a geriatric assessment center; six homeless shelter clinics; and a mobile immunization and medical outreach program. The System is exempt from federal income taxes.

The System is a component unit of Harris County, Texas (legally separate from Harris County, Texas) since the members of the System's governing board are appointed by the Harris County Commissioners' Court. The Harris County Commissioners' Court approves the System's tax rate and annual operating and capital budget. Harris County, Texas does not provide any funding to the System, hold title to any of the System's assets or have any rights to any surpluses of the System.

The System's primary mission is to provide quality preventive, medical, hospital and emergency care to the indigent and needy of Harris County and to others with the ability to pay. All activities conducted by the System are directly associated with the furtherance of this mission and are, therefore, considered to be operating activities.

The Harris County Hospital District Foundation (the Foundation), was organized in 1993. The Foundation is a nonprofit, tax-exempt corporation organized under Section 501(c)(3) of the Internal Revenue Code whose primary purpose is to raise funds to support the operations and activities of the System. Although the System does not control the timing or amount of receipts from the Foundation, the majority of resources (or income thereon) that the Foundation holds and invests is restricted to the activities of the System by the donor. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the System, the Foundation is considered a component unit of the System and is included in the System's financial statements. The Foundation is reported as a discretely presented component unit of the System. Financial reports for the Foundation can be obtained from the Harris County Hospital District Foundation, 4800 Fournace Place, Bellaire, Texas 77401. Attention: Jeffrey Baker, Executive Director (Jeffrey.Baker@harrishealth.org).

Community Health Choice, Inc. and Community Health Choice Texas, Inc. (the HMOs) are Texas not-for-profit corporations organized under Section 501(c)(4) of the Internal Revenue Code to operate as health maintenance organizations. Community Health Choice, Inc. was incorporated on May 8, 1996, licensed by the Texas Department of Insurance on February 27, 1997, and as of December 31, 2021, offered three Medicaid insurance products as well as individual health insurance on the Health Insurance Marketplace. Community Health Choice Texas, Inc. was formed in August 2016 to allow the Health Insurance Marketplace and the Medicaid insurance

products to be provided and served by separate corporations. Community Health Choice, Inc. is the Health Insurance Marketplace and commercial HMO with 85,005 enrollees as of December 31, 2021, and Community Health Choice Texas, Inc. is the Medicaid Managed Care HMO with 369,520 enrollees as of December 31, 2021. The HMOs are reported as discretely presented component units of the System since the Board of Directors are appointed by the System's Board of Trustees and the System can impose its will on the HMOs. The differences in amounts due to the System and due from the HMOs in the accompanying statement of net position are primarily due to the presentation of the HMOs financials based on their fiscal year-end of December 31. Financial reports for the HMOs can be obtained from Community Health Choice, Inc., 2636 South Loop West, Ste. 125, Houston, Texas 77054, Attention: Anna Mateja, Chief Financial Officer (Anna.Mateja@CommunityHealthChoice.org).

Unless otherwise noted, the following notes do not include the Foundation or the HMOs.

Effective March 1, 2022, the System changed its reporting year end from February 28 to September 30. The accompanying statement of revenues, expenses and changes in net position of the System reflects its activities for the seven-month period ended September 30, 2022. The financial statements of the Foundation are as of and for the year ended February 28, 2022. The financial statements of the HMOs are as of and for the year ended December 31, 2021. These periods are the most recent fiscal years ended for these component units.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Method of Accounting

Under the provisions of the American Institute of Certified Public Accountants' *Audit and Accounting Guide, Health Care Organizations*, the System is considered a governmental organization and is subject to the pronouncements of the Governmental Accounting Standards Board (GASB).

In accordance with GASB Statement No. 34*, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the System's financial statements include the statement of net position; statement of revenues, expenses and changes in net position; and statement of cash flows.

The statement of net position requires that total net position be reported in three components (a) net investment in capital assets, (b) restricted; and (c) unrestricted.

- "Net investment in capital assets" consists of capital and lease assets, net of accumulated depreciation and amortization, reduced by the amount outstanding for any bonds, notes, or other financing liabilities that were incurred related to the acquisition, construction or improvement of the capital assets.
- "Restricted" consists of restricted assets reduced by liabilities and deferred inflows of resources related to the assets and are primarily for debt service and capital asset acquisition.
- "Unrestricted" is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When an expense is incurred for purposes for which there are both restricted and unrestricted net position available, it is the System's practice to apply that expense to restricted net position to the extent such are available and then to unrestricted.

The Foundation is a private not-for-profit organization that reports under Financial Accounting Standards Board pronouncements. As such, certain revenue recognition criteria and presentation features are different from that of the GASB. The Foundation's financial statement formats were modified to make them compatible with the System's financial statement formats.

The HMOs are licensed only in the state of Texas and report under Governmental Accounting Standards Board pronouncements. The HMOs' financial statement formats were modified to make them compatible with the System's financial statement formats.

Reporting Entity

The financial statements include the accounts of the System, the Foundation and the HMOs, as described in *Note 1*. In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements Nos. 14 and 34*, the System reports the HMOs and the Foundation as discretely presented component units in its financial statements. Management of the System believes the separate presentation of the System's statements and of each discretely presented component unit to be the most reflective of the System's activities.

Transactions between the System and its component units include the following:

The System provides certain administrative services to the HMOs including employment of all individuals who perform the day-to-day requirements of the business functions of the HMOs. The HMOs reimburse the System for such salaries, wages and benefits and these costs are reflected as expenses of the HMOs. An additional fee for indirect costs approximating $1.7 million for the seven-month period ended September 30, 2022 is included as a revenue and expense in the System’s financial statements. The System pays a portion of the premiums for enrollees to Community Health Choice, Inc. for insurance coverage under the insurance plans that are offered as part of the HMO’s mission. Premiums paid on behalf of enrollees were $14 million for the seven-month period ended September 30, 2022, which is included as expense and revenue in the System’s financial statements.

The System supports the Foundation with payments for goods and services of approximately $322 thousand for the seven-month period ended September 30, 2022, which are recognized in the Foundation financial data as in-kind contributions and expenses. The Foundation provided support to the System for projects and grants of $662 thousand for the seven-month period ended September 30, 2022.

Cash, Cash Equivalents and Short-term Investments

Cash and cash equivalents include cash and investments that are highly liquid with maturities of less than three months when purchased, and excludes cash and cash equivalents that are restricted or limited as to use. Short-term investments are investments with maturities in excess of three months, but less than a year, when purchased.

The System's and HMO's cash, cash equivalents and short-term investments are invested in fully collateralized time deposits, commercial paper, money market mutual funds, investment pools and government securities as authorized by Chapter 281 of the *Texas Health and Safety Codes* and Chapter 116 of the *Texas Local Government Code*, except as disclosed in *Note 6*. Such total collateralization and insurance coverage is required by the Board of Trustees of the System. The Foundation's investments, however, are not subject to these laws.

Investments are reported at fair value, with realized and unrealized gains and losses included in investment income in the statement of revenues, expenses and change in net position.

Foundation Net Position

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net position. Gifts received with a donor stipulation that limits their use are reported as restricted net position. When a donor stipulated time restriction ends or purpose restriction is accomplished, restricted net position is reclassified to unrestricted net position. The majority of pledges recorded are externally imposed to the System's expansion projects. Pledges are included in other assets in the statement of net position.

Inventories

Inventories are valued at the lower of cost, using the first-in, first-out method, or market and consist principally of pharmaceuticals.

Capital Assets

Property, plant and equipment are carried at cost or acquisition value at the time of donation and include expenditures for new facilities and equipment and expenditures that substantially increase the useful life of existing capital assets. Ordinary maintenance and repairs are charged to expense when incurred. Capitalization is limited to assets with a cost of $5,000 or greater.

Disposals are removed at carrying cost less accumulated depreciation, with any resulting gain or loss included in other nonoperating revenue and expenses. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets.

Estimated useful lives for buildings are up to 40 years and for equipment are 2 to 25 years. Equipment under capital leases is amortized on the straight-line method over the lesser of the useful life of the equipment or the lease term. Such amortization is included in depreciation and amortization in the accompanying statement of revenues, expenses and changes in net position.

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset in service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. The System has a capitalization policy to only record lease assets related to leases with more than $5 thousand of payments over the lease term.

Capital and Lease Asset Impairment

The System evaluates capital and lease assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital or lease asset has occurred. If a capital or lease asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, accumulated depreciation or amortization is increased by the amount of the impairment loss. No material asset impairment was recognized during the seven-month period ended September 30, 2022.

Risk Management

The System is exposed to various risks of loss from torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than medical malpractice and employee health claims. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

The System is self-insured for a portion of its exposure to risk of loss from medical malpractice and employee health claims. Annual estimated provisions are accrued for the self-insured portion of medical malpractice and employee health claims and include an estimate of the ultimate costs for both reported claims and claims incurred but not yet reported.

Compensated Absences

The System maintains a paid time-off plan. Under the paid time-off plan, the cost of all compensated absences is accrued at the time the benefits are earned. At the option of the employee, unused benefits may be liquidated at 50.0 percent or at the time of termination are payable at 75.0 percent. Changes in the System's liability for compensated absences for the seven-month period ended September 30, 2022 are as follows (in thousands).

Beginning of Period Liability	Claims and Change in Estimates	Claim Payments	End of Period Liability
$ 55,688	$ 49,797	$ 47,704	$ 57,781

Classification of Revenues and Expenses

Operating revenues include those generated from direct patient care and related support services. Nonoperating revenues consist of those revenues that are related to financing and investing types of activities and result from nonexchange transactions or investment income. Operating expenses include those related to direct patient care and related support services. Nonoperating expenses include interest expense and other expenses that are not considered operating.

Net Patient Service Revenue and Accounts Receivable

Net patient service revenue is reported as the estimated net realized amounts from patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments under reimbursement agreements with third-party payors. In recognizing net patient service revenue, estimates are used in recording allowances for contractual adjustments and uncollectible accounts. Allowances for uncollectible accounts are estimated using historical experience, current trend information, aged account balances and a collectability analysis. The System's financial assistance program for uninsured patients classified as self-pay determines expected payments based on the Medicare allowable reimbursement. Charges in excess of the expected payment are reflected as an administrative uninsured discount. The allowance for uncollectible accounts was estimated at $44 million as of September 30, 2022. The System provides services under contract to patients covered under the Medicare and Medicaid programs. Net revenues from these programs are included in patient service revenue at estimated reimbursement based on customary billing charges, predetermined rates of reimbursement, plus certain adjustments. The amounts due to or from these programs are subject to final review and settlement by the program administrative contractor.

Retroactive adjustments under third-party reimbursement agreements are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, it is reasonably possible that these estimates could differ from actual settlements and thus change in the near term by material amounts.

Harris County Hospital District
d/b/a Harris Health System
A Component Unit of Harris County, Texas
Notes to Financial Statements
September 30, 2022

Charity Care Policy

The System accepts all Harris County residents as patients regardless of their ability to pay. Harris County residents may qualify for partial financial assistance, on a sliding scale. The extent to which a resident will be financially responsible is determined based upon pre-established financial criteria, which utilize family income and size as it relates to the federal poverty guidelines set by the U.S. Department of Health and Human Services. Charity services are defined as those services for which no payment is anticipated. These amounts are not reported as revenue. The System maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under the System's Financial Assistance program. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross charity care charges. The following information measures the level of charity care provided during the seven-month period ended September 30, 2022 (in thousands):

Charges foregone, based on established rates	$	620,538
Cost of foregone charges, estimated		456,830

Premium Revenue

Premium revenue is recognized as revenue by the HMOs during the coverage period of the subscriber agreement. For the primary Medicaid business, notification is received throughout the year of any new, removed or revised members and the date of eligibility for coverage. The date of notification may be subsequent to the date of eligibility. The HMOs believe premium revenue has been appropriately recognized for the year ended December 31, 2021, the HMOs fiscal year-end.

Medical Claims Expense

The HMOs arrange for comprehensive health care services to its members primarily through fee-for-service arrangements. The HMOs compensate hospitals on either a discounted fee for service or per diem basis and compensates physicians and other providers primarily on a discounted fee for service basis.

Medical claims expense reserves represent the estimated ultimate net cost of all reported and unreported losses incurred through the end of December and are presented on a discounted basis. The reserves for unpaid medical claims expenses are actuarially estimated based on claims experience and statistical analyses. Those estimates are subject to the effects of trends in loss severity and frequency. Although considerable variability is inherent in such estimates, management believes the reserves for medical claims expenses are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations.

Contracts are evaluated to determine if it is probable that a loss will be incurred and a premium deficiency reserve is recognized when it is probable that expected future claims, including maintenance costs, will exceed existing reserves plus anticipated future premiums and reinsurance recoveries, without consideration of anticipated investment income.

For purposes of determining premium deficiency reserves, contracts are grouped in a manner consistent with the method of acquiring, servicing and measuring the profitability of such contracts. As of December 31, 2021, the HMOs fiscal year-end, the HMOs recognized premium deficiency reserve for the Health Insurance Marketplace business of $14 million. As of December 31, 2021, the HMOs recorded an experience rebate liability of $34 million.

Changes in the HMO's aggregate liability for medical claims in for the year ended December 31, 2021 is as follows (in thousands):

Liability at December 31, 2020	Medical Claims and Change in Estimates	Claim Payments	Liability at December 31, 2021
$ 208,406	$ 1,943,317	$ 1,849,754	$ 301,969

In the fiscal year ended December 31, 2021, the HMOs in aggregate paid $1,673 million in claims related to the current fiscal year and $177 million in claims related to the prior fiscal year.

The HMOs are a party to a reinsurance agreement to limit its losses on individual claims. Under the terms of the agreement, the reinsurer reimburses the HMOs approximately 90.0 percent, subject to certain limitations as specified in the contract, of the cost of each member's annual inpatient hospital services. For the Medicaid and Children's Health Insurance Program (CHIP) business, the recovery is based on costs in excess of a $1 million deductible, up to a limitation of $5 million per member per agreement period. The HMOs also carry coverage for the health insurance marketplace business for which the reinsurer reimburses approximately 90.0 percent of each member's annual inpatient hospital services in excess of a $750 thousand deductible, up to a limitation of $5 million per member per agreement period.

Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (ACA)

The HMOs participate in the federally facilitated health insurance exchange in 10 southeast Texas counties. The exchange was created pursuant to the ACA under regulations established by the U.S. Department of Health and Human Services (HHS). Under these rules, HHS pays the HMO a portion of the policy premium, in the form of Advanced Premium Tax Credit (APTC), and part of the health care costs, in the form of Cost Sharing Reduction (CSR), for low income individual exchange members. HHS also administers certain risk management programs as detailed below.

The HMOs recognize premiums received from its exchange members and APTC received from HHS as premium revenue when earned and CSR offsets health care costs when incurred. For 2021, the HMOs recognized $435 million and $11 million of APTC and CSR, respectively.

The risk adjustment data validation program was implemented to ensure the integrity and accuracy of risk adjustment transfer amounts. Prior year submission data is audited and adjustments to the receivable or payable transfer amounts are made.

Subject to this program, the HMOs have recorded a liability of approximately $11 million at December 31, 2021, which is included as liabilities related to the Affordable Care Act within current liabilities in the accompanying statement of net position.

The ACA established a permanent risk adjustment program which adjusts the premiums that commercial, individual and small group health insurance issuers receive based on the demographic factors and health status of each member as derived from current year medical diagnosis as reported throughout the year. This program transfers funds from lower risk plans to higher risk plans with similar plans in the same state. The risk adjustment program is applicable to commercial, individual and small group health plans (except certain exempt and grandfathered plans) operating both inside and outside of the exchange. A risk score is determined for the entire subject population for each market in each state. Plans with an average risk score below the state average will pay into a pool and health insurance issuers with an average risk score that is greater than the state average risk score will receive money from that pool. The HMOs issues individual plans and is therefore subject to the risk adjustment. At December 31, 2021, the HMOs recorded a risk adjustment receivable of $169 million, which is included in prepaid expenses and other current assets in the accompanying statement of net position.

Ad Valorem Tax Revenues – Net

Ad valorem tax revenues are recorded in the year for which the taxes are levied, net of provisions for uncollectible amounts, collection expenses and appraisal fees. Harris County Commissioners' Court levies a tax for the System as provided under state law. The taxes are collected by the Harris County Tax Assessor – Collector and are remitted to the System as received. On January 1, at the time of assessment, an enforceable lien is attached to the property for property taxes. Taxes are levied and become collectible from October 1 to January 31 of the succeeding year. Subsequent adjustments to the tax rolls, made by the County Assessor, are included in revenues in the period such adjustments are made by the County Assessor. Harris County also enters into property tax abatement agreements with local businesses under the state Property Redevelopment and *Tax Abatement Act*, Chapter 312, as well as its own guidelines and criteria, which is required under the Act.

Revenue from the calendar year 2021 tax levy was recognized by the System in the fiscal year ended February 28, 2022. Revenue from the calendar year 2022 tax levy will be recognized by the System in the fiscal year ending September 30, 2023 as this is the period for which the taxes were levied. Revenue recognized in the seven-month period ended September 30, 2022 represents the difference between estimated ad valorem taxes receivable due at February 28, 2022 and actual amounts collected subsequent to that date.

Tobacco Settlement Revenues

The System receives a portion of the funds from the settlement between various counties and hospital districts in Texas and the tobacco industry for tobacco-related health care costs. Under the program guidelines, the System is free to use the funds in either the immediate or future periods without restriction. The System recognizes all funds received from the settlement as nonoperating revenue in the period funds are allocated.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefits payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions

The System has a single-employer defined benefit other postemployment benefit (OPEB) plan. For purposes of measuring the net OPEB liability, deferred outflows and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the OPEB plan. For this purpose, the System recognizes benefit payments when due and payable in accordance with the benefit terms.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred inflows and outflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Change in Accounting Principle

On March 1, 2022, the System adopted GASB Statement No. 87, *Leases*, (GASB 87) using a retrospective method adoption to all leases in place and not yet completed at the beginning of the earliest period presented, which was March 1, 2022. The statement requires lessees to recognize a lease liability, measured at the present value of payments expected to be made during the lease term, and an intangible right-to-use lease asset. Adoption of GASB 87 had no effect on beginning net position at March 1, 2022.

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Note 3: Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. The amounts by which the established billing rates exceed the amounts recoverable from these programs are written off and accounted for as contractual allowances. A summary of the payment arrangements with major third-party payors follows:

Medicare – Inpatient acute care services and defined capital costs related to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical diagnostic and other factors. Medicare outpatient services are reimbursed on fee schedules and on a prospective basis through ambulatory payment classifications, which are based on clinical resources used in performing the procedures. The System's Medicare cost reports have been audited by the Medicare administrative contractor through February 28, 2018.

Medicaid – Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge similar to those of the Medicare inpatient program. Medicaid outpatient services are paid by fee schedules for specific services, including outpatient surgery, imaging and laboratory services. Other outpatient services are reimbursed on reasonable cost, based on a percentage from the System's most recent Medicaid cost report tentative settlement as of March 1, 2013. The System's Medicaid cost reports have been settled by the Medicaid administrative contractor through February 28, 2017.

In conjunction with the change in fiscal year end, the System also changed its Medicare and Medicaid reporting year end to September 30, effective for the seven-month period ended September 30, 2022.

Cash received from the Medicare program accounted for approximately 47.7 percent of the System's total cash collections for net patient service revenue for the seven-month period ended September 30, 2022. Cash received from the Medicaid program (including managed Medicaid) accounted for approximately 25.1 percent of the System's total cash collections for net patient service revenue for the seven-month period ended September 30, 2022. Cash received from the Medicaid program in the seven-month period ended September 30, 2022 was impacted by the approval of the Comprehensive Hospital Rate Increase Program (CHIRP) in March 2022, which was retroactive to September 1, 2021. See further discussion of CHIRP in *Note 4*.

Compliance with laws and regulations governing the Medicare and Medicaid programs can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties and exclusion from the Medicare and Medicaid programs.

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Note 4: Medicaid Supplemental Programs

The Disproportionate Share III (DSH) program was created in fiscal 1992 by the state of Texas to access additional federal matching funds. These funds are distributed to selected hospitals that provide services to low-income and uninsured patients.

The Upper Payment Limit (UPL) program was created in May 2002 with an effective date of July 2001. The UPL program used federal matching funds to raise state Medicaid reimbursement rates to 100.0 percent of equivalent Medicare rates for certain public hospital systems. In December 2011, Texas received federal approval to redirect the funding it would have received under the UPL program. The 1115 Waiver allows the state to expand Medicaid managed care, improve Medicaid services and reward performance. Federal funding that would have been received by hospitals if managed care was not expanded is to be preserved. The UPL program was replaced with two new pools of funding, the uncompensated care (UC) pool and the delivery system reform incentive payment (DSRIP) pool. The UC pool directs more funding to hospitals that serve large numbers of uninsured patients and the DSRIP pool provides incentive payments for health care providers based on improvements in quality of care.

On April 22, 2022, CMS approved an extension of the Waiver through September 30, 2030. The extension provides for the continuation of the UC Pool. The DSRIP pool funding ended on September 30, 2021 and was not renewed as part of the extension. CMS has also approved an expansion of directed payment programs, which transitions participating hospitals away from the DSRIP program. One of the new directed payment programs is CHIRP, which added a quality component to the existing Uniform Hospital Rate Increase Program (UHRIP). Under UHRIP, HHSC directed managed care organizations in a service delivery area to provide a uniform percentage rate increase to all hospitals within a particular class of hospitals. CHIRP also provides for a rate increase similar to UHRIP but also provides for a rate enhancement above the UHRIP rate, based upon a percentage of estimated average commercial reimbursement. Participating hospitals may opt into this second component. The UHRIP program transitioned to the CHIRP program on September 1, 2021. CHIRP will require annual approval by CMS and has been approved through August 31, 2023. The System also participates in other Medicaid Supplemental Payment Programs including the Network Access Improvement Program (NAIP), and the Graduate Medical Education (GME) program.

During the seven-month period ended September 30, 2022, the System began participating in the Public Hospital Augmented Reimbursement Program (HARP). HARP is a statewide supplemental program that provides Medicaid payments to hospitals for inpatient and outpatient services that serve Texas Medicaid fee-for-service patients. The program also serves as a financial transition for providers historically participating in the DSRIP program and provides additional funding to hospitals to assist in offsetting the costs hospitals incur while providing Medicaid services. HARP revenue for the 2022 program revenue was recognized in the seven-month period ended September 30, 2022 due to the timing of program approval.

The System recognizes all funds received under these programs as operating revenues in the period applicable to the funds. Any amounts related to that year that are not received as of fiscal year-end are recorded as receivables and reflected in other current assets in the accompanying statement of net position. These receivables can be subject to adjustments that are reflected in the period they become known. The System recorded no material adjustments for the period ended September 30, 2022 for prior years' programs. The System's financial statements reflect receivables of $481 million at September 30, 2022 related to the these programs.

The System also participates in a Local Provider Participation Fund (LPPF) in Harris County. The System acts as the administrator of the LPPF by assessment and collection of mandatory payments from hospitals in Harris County. These payments are to be used to fund intergovernmental transfers representing the state's share of supplemental Medicaid funding programs. As the System acts as a conduit for these funds, the receipts and intergovernmental transfers are not recognized as revenue and expense in the statement of revenues, expenses and changes in net position. As of September 30, 2022, the System held $71 million in LPPF funds which is reported as restricted cash in the statement of net position. At September 30, 2022 the System had $85 million in intergovernmental transfer liability of which $71 million related to LPPF, and the residual related to intergovernmental transfers required for private providers.

Note 5: Assets Limited as to Use or Restricted

Assets limited as to use or restricted represent those assets whose use has been legally restricted related to the 2010 and 2016 refunding and revenue bond issues (50.0 percent of the greatest debt service requirement scheduled to occur); unspent bond proceeds; funds restricted by donors; or funds designated by the board for other uses. Investments in U.S. Treasury, agency and instrumentality obligations with a remaining maturity of one year or less at the time of acquisition and in non-negotiable certificates of deposit are carried at amortized cost.

The System also invests in Texas CLASS and Lone Star Investment pools (collectively, the investment pools), both of which are state investment pools that are considered investments for financial reporting. Investments must be in compliance with the *Texas Public Funds Investment Act* and include obligations of the United States or its agencies, direct obligation of the state of Texas or its agencies, certificates of deposit and repurchase agreements. The System has an undivided beneficial interest in the pool of assets held by the investment pools. The fair value of the position in these pools is the same as the value of the shares in each pool. Both investment pools are rated AAAm by Standard & Poor's. Investments in external investment pools qualifying for amortized cost under GASB Statement No. 79 - *Certain External Investment Pools and Pool Participants*, are carried at amortized cost per share.

All other investments are recorded at fair value. The fair values of securities are based on appropriate valuation methodologies by third parties, quoted market prices and information available to management as of September 30, 2022.

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The components of assets limited as to use or restricted at fair value at September 30, 2022 are as follows (in thousands):

Description of Assets	Total	Restricted Debt Service	Series 2020 Capital Asset Fund	Restricted For Capital Asset Purchases	Restricted Cash and Cash Equivalents LPPF	Other
Money market mutual funds	$ 71,612	$ 260	$ 162	$ 14	$ 71,007	$ 169
Investment pools	52,307	67	6,034	45,327	-	879
United States Treasury obligations	33,225	33,225	-	-	-	-
Cash	142	-	-	-	-	142
	157,286	33,552	6,196	45,341	71,007	1,190
Less funds required for current liabilities	(78,911)	(7,762)	-	-	(71,007)	(142)
	$ 78,375	$ 25,790	$ 6,196	$ 45,341	$ -	$ 1,048

Foundation – Assets limited as to use of $34 million at February 28, 2022 are restricted subject to donor-imposed stipulations that will be met by actions of the Foundation or the passage of time.

HMOs – Assets limited as to use aggregating $3 million at December 31, 2021, are restricted as to use and are pledged to satisfy insolvency and other reserves, as required by the Texas Department of Insurance.

Note 6: Investment Risk

GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an Amendment of GASB Statement No. 3*, requires disclosures related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk associated with interest-bearing investments.

Credit Risk and Concentration of Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSRO).

The System, the HMOs and the Foundation each have formal investment policies adopted by their governing boards, which limit investment in securities based on an NRSRO credit rating. The System's investments are also subject to the *Public Funds Investment Act* (the Act), Texas Administrative Code Section 2256, and the investments of the HMOs are also subject to regulations enumerated in Title 28, Chapter 11 of the Texas Administrative Code and Chapter 20A of the Texas Insurance Code. The Foundation's investments are not subject to these laws.

The System's investment policy is to be reviewed and approved annually by the Board of Trustees and the Commissioners' Court. The investment policy includes a list of authorized investment instruments, a maximum allowable stated maturity by fund type and the maximum weighted average maturity of the overall portfolio. Guidelines for diversification and risk tolerance are also detailed within the policy.

Additionally, the policy includes specific investment strategies for fund groups that address each group's investment options and describes the priorities for suitable investments.

The System's investment policy establishes minimum acceptable credit ratings for certain investment instruments. Securities of states, agencies, counties, cities and other political subdivisions located in the United States must not be rated less than A, or its equivalent, by a nationally recognized investment-rating firm. Money market mutual funds and public funds investment pools must be rated AAA or its equivalent. Commercial paper with a stated maturity of 270 days or less from the date of issuance, as authorized by the Act, must be rated A-1 or P-1 or its equivalent.

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The System mitigates these risks by emphasizing the importance of a diversified portfolio. All funds must be sufficiently diversified to eliminate the risk of loss resulting from overconcentration of assets in a specific maturity, a specific issuer or a specific class of securities. In particular, no more than 25 percent of the overall portfolio may be invested in time deposits, including certificates of deposit, of a single issuer. Concentration by issuer for other investment instruments is not specifically addressed in the investment policy. However, the policy does specify that acceptable investment instruments must have high-quality credit ratings.

GASB Statement No. 40 also provides that securities with split ratings, or a different rating assignment between NRSROs, are disclosed using the rating indicative of the greatest degree of risk.

The following table indicates the fair value and maturity amount of the System's cash equivalents, assets limited as to use and investments as of September 30, 2022, summarized by security type, as well as the percentage of total portfolio, the credit rating of the investment, and the modified duration in years for each summarized security type (in thousands).

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Security	Fair Value	Percentage of Portfolio	Maturity Amount	Modified Duration (Years)	Credit Rating S&P/Moody's
Investment Pools					
Texas CLASS - Pool (Corporate)	$ 146,985	23.27 %	$ 146,985	0.003	AAAm
Lone Star - Pool (Corporate)	117,908	18.66	117,908	0.003	AAAm
United States Treasury obligations	142,391	22.54	143,200	0.247	Aaa/AA+
Federal Agency	49,868	7.89	50,000	0.555	Aaa/AA+
Commercial paper					
Mitsubishi UFG Financial Group	58,894	9.32	60,000	0.444	A-1/P-1
Santander BK UK PLC	39,455	6.25	40,000	0.342	A-1/P-1
Money market mutual funds	76,264	12.07	76,264	0.003	AAAm/Aaa-mf
Total cash equivalents, assets limited as to use and investments	$ 631,765	100.00 %	$ 634,357	0.164	

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the System will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the System will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Chapter 2257 of the Texas Government Code is known as the *Public Funds Collateral Act*. This act provides guidelines for the amount of collateral that is required to secure the deposit of public funds. Federal Deposit Insurance Corporation (FDIC) insurance is available for funds deposited at any one financial institution up to a maximum of $250 thousand each for demand deposits, time and savings deposits and deposits pursuant to indenture.

The *Public Funds Collateral Act* requires that the deposit of public funds be collateralized in an amount not less than the total deposit, reduced by the amount of FDIC insurance available. The System's deposits are not exposed to custodial credit risk since all deposits are either covered by FDIC insurance or collateralized with securities held by the System or its agent in the System's name, in accordance with the *Public Funds Collateral Act*.

Interest Rate Risk – All investments carry the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the System manages its exposure to interest rate risk is by purchasing a combination of shorter and longer-term investments and by matching cash flows from maturities so that a portion of the portfolio is maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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According to the System's investment policy, no more than 50.0 percent of the portfolio, excluding those investments held for future capital expenditures, debt service payments, bond fund reserve accounts, and capitalized interest funds, may be invested beyond 36 months. Additionally, at least 15.0 percent of the portfolio, with the previous exceptions, is invested in overnight instruments or in marketable securities that can be sold to raise cash within one day's notice. Overall, the average maturity of the portfolio, with the previous exceptions, shall not exceed three years. The System is also prohibited from investing more than 25.0 percent of the overall portfolio in the time deposits, including certificates of deposit, of a single issuer. As of September 30, 2022, the System was in compliance with these guidelines.

Foreign Currency Risk – Foreign currency risk is the risk that fluctuations in the exchange rate will adversely affect the value of investments denominated in a currency other than the U.S. dollar. The System's investment policy does not list securities denominated in a foreign currency among the authorized investment instruments. Consequently, the System is not exposed to foreign currency risk.

The following table indicates the fair value and maturity amount of the cash equivalents, assets limited as to use and investments of Community Health Choice, Inc. as of December 31, 2021, summarized by security type. Also demonstrated are the percentage of total portfolio and the modified duration in years for each summarized security type (in thousands).

Security	Fair Value	Percentage of Portfolio	Maturity Amount	Modified Duration (Years)	Credit Rating S&P
Certificates of deposit	$ 3,325	6.99 %	$ 3,325	0.429	AAA
Money market mutual funds	44,217	93.01	44,217	0.003	AAA
	$ 47,542	100.00 %	$ 47,542	0.216	

The following table indicates the fair value and maturity amount of the cash equivalents, assets limited as to use and investments of Community Health Choice Texas, Inc. as of December 31, 2021, summarized by security type. Also demonstrated are the percentage of total portfolio and the modified duration in years for each summarized security type (in thousands).

Security	Fair Value	Percentage of Portfolio	Maturity Amount	Modified Duration (Years)	Credit Rating S&P/Moody's
Municipal bonds	$ 6,223	1.59 %	$ 6,107	0.332	AAA/AA+/Aaa/AA
Certificates of deposit	100	0.03	100	0.132	AAA
Money market mutual funds	383,980	98.38	383,980	0.003	AAA
	$ 390,303	100.00 %	$ 390,187	0.156	

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The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 are quoted prices in an active market for identical assets, Level 2 are significant other observable inputs and Level 3 are significant unobservable inputs.

Investments in external investment pools qualifying for amortized cost under GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, are carried at amortized cost per share, thus, they are excluded from fair value reporting below.

The following is a summary of the hierarchy of the fair value of cash equivalents, assets limited as to use, investments, and derivative instrument *(Note 8)* of the System as of September 30, 2022 (in thousands).

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Commercial paper	$ -	$ 98,349	$ -	$ 98,349
United States Treasury obligations	142,391	-	-	142,391
Federal Agency notes	49,868	-	-	49,868
Money market mutual funds	76,264	-	-	76,264
Total cash equivalents, assets limited as to use and investments by fair value	$ 268,523	$ 98,349	$ -	$ 366,872
Liabilities				
Derivative financial instrument	$ -	$ 385	$ -	$ 385

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The following is a summary of the hierarchy of the fair value of investments and cash equivalents of Community Health Choice, Inc. as of December 31, 2021 (in thousands):

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Money market mutual funds	$ 44,217	$ -	$ -	$ 44,217
Total investments and cash equivalents by fair value level	$ 44,217	$ -	$ -	$ 44,217

The following is a summary of the hierarchy of the fair value of investments and cash equivalents of Community Health Choice Texas, Inc. as of December 31, 2021 (in thousands):

	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Municipal bonds	$ -	$ 6,223	$ -	$ 6,223
Money market mutual funds	383,980	-	-	383,980
Total investments and cash equivalents by fair value level	$ 383,980	$ 6,223	$ -	$ 390,203

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Note 7: Capital and Lease Assets

The System's capital assets activity for the seven-month period ended September 30, 2022, consists of the following (in thousands):

	2022			
	Beginning Balance	Additions/ Transfers	Retirements	Ending Balance
Land and improvements	$ 47,316	$ 133	$ -	$ 47,449
Buildings and fixed equipment	728,992	479	(76)	729,395
Major movable equipment	446,786	20,531	(27,878)	439,439
Total historical cost	1,223,094	21,143	(27,954)	1,216,283
Less accumulated depreciation:				
Land and improvements	(15,989)	(519)	-	(16,508)
Buildings and fixed equipment	(439,675)	(15,136)	64	(454,747)
Major moveable equipment	(336,890)	(20,779)	27,560	(330,109)
Total accumulated depreciation	(792,554)	(36,434)	27,624	(801,364)
Construction in progress	129,751	42,013	-	171,764
Capital assets - net	$ 560,291	$ 26,722	$ (330)	$ 586,683

The System's lease assets activity for the seven-month period ended September 30, 2022, consists of the following (in thousands):

	2022			
	Beginning Balance (As Restated)	Additions/ Transfers	Retirements	Ending Balance
Buildings	$ 43,183	$ 2,704	$ -	$ 45,887
Equipment	5,811	2,159	(11)	7,959
Total lease assets	48,994	4,863	(11)	53,846
Less accumulated amortization:				
Buildings	-	(3,861)	-	(3,861)
Equipment	-	(2,108)	11	(2,097)
Total accumulated amortization	-	(5,969)	11	(5,958)
Lease assets, net	$ 48,994	$ (1,106)	$ -	$ 47,888

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Note 8: Long-Term Debt

Long-term debt of the System consists of various issues of Revenue Bonds and Combination Tax and Revenue Certificates of Obligation (Certificates). Revenue Bonds are payable from the pledged revenue generated by the System. Combination Tax and Revenue Certificates of Obligation are payable from the levy and collection of an ad valorem tax, levied on taxable property within the System. Although taxes are levied and collected by Harris County for the System, the Certificates are direct obligations of the System and the holders are not entitled to demand payment from any tax revenue or other revenues of Harris County.

Revenue Bonds

On October 3, 2007, the System issued two Series of Harris County Hospital District Senior Lien Refunding Revenue Bonds (the Bonds). The Series 2007A Bonds, in the amount of $199 million, were sold to provide funding for expansion and renovation projects, to refund the System's outstanding commercial paper, to fund the Debt Service Reserve Fund, and to pay costs of issuance. The Series 2007B Bonds, in the amount of $103 million, were used to refund the Series 2000 revenue bonds and to pay costs of issuance. The Series 2007 Bonds were insured by municipal bond insurance policies and secured by a lien on the pledged revenue of the System and certain funds established pursuant to the bond order.

In October 2016, the System refunded and refinanced the Series 2007A Bonds by issuing the $160 million Series 2016 Senior Lien Refunding Revenue bonds at a premium of $15 million.

The proceeds of the Series 2016 Bonds and existing debt service and debt service reserve funds covered cost of issuance and defeased the Series 2007A bonds in the principal amount $178 million. An irrevocable deposit of sufficient funds with trustees was made to pay the principal and interest of the defeased bonds through maturity. In February 2017, the System paid the non-refunded principal balance due and related interest. The Series 2016 Bonds have a final maturity of February 15, 2042. The bonds were issued as serial bonds in the amount of $106 million maturing February 15, 2036, and $54 million in term bonds maturing February 15, 2042. The bonds maturing on or after February 15, 2027, are subject to optional redemption on or after February 15, 2026. The term bonds are additionally subject to mandatory sinking fund redemption. The refunding resulted in a net present value economic gain of $37 million.

The Series 2007B Bonds have a final maturity date of February 1, 2042, and were initially issued as 28-day taxable auction-rate paper, convertible to tax-exempt on August 16, 2010. In April 2008, these bonds were converted from auction-rate securities and reoffered as variable rate bonds bearing interest at a term rate during a term period. The 2007B Bonds Series were hedged with a forward starting swap effective upon the tax-exempt conversion of the bonds.

In August 2010, the System refunded and refinanced the Series 2007B Bonds by issuing Series 2010 Refunding and Revenue bonds in the amount of $104 million. The proceeds of the Series 2010 Bonds covered costs of issuance and defeased the Harris County Hospital District Senior Lien Refunding Revenue Bonds, Series 2007B, in the principal amount of $104 million through the irrevocable deposit of sufficient funds with trustees to pay the principal and interest of such bonds through maturity. Accordingly, these trusteed funds and the related defeased indebtedness are excluded from the balance sheet. The refunding resulted in a loss of $22 million, which includes $16 million deferred loss on refunding related to the interest rate swap, which has been deferred and is being amortized over the life of the Series 2007B Bond issue. The remaining loss on refunding of $6 million has been deferred and is being amortized to interest expense over the life of the Series 2010 bond issue. The primary components of this loss were the write-offs of unamortized deferred financing costs and bond premiums, the net deferred amount related to the hedging derivative instrument associated with the 2007B Bonds and the difference between amounts funded for the defeasance and the principal due on the 2007B Bonds. The financial statements reflect deferred outflows-unamortized debt refunding loss of $7 million at September 30, 2022. Principal amounts of total defeased indebtedness outstanding at September 30, 2022 is $60 million. The bonds are secured by an irrevocable letter of credit issued by JPMorgan Chase Bank.

The Series 2010 Refunding and Revenue bonds in the amount of $104 million are variable rate demand bonds maturing through February 15, 2042. The bonds are subject to purchase on the demand of the owner at a price equal to purchase price on any given business day upon irrevocable notice by electronic means to the System's tender agent and remarketing agent.

Under an irrevocable letter of credit issued by JPMorgan Chase Bank, only the tender agent is entitled to draw an amount sufficient to pay the principal amount of the bonds when due, or to pay the portion of the purchase price corresponding to the principal amount upon certain tenders. The letter of credit facility expires on August 12, 2024. Unreimbursed advances will accrue interest at the higher of (i) the Prime Rate, (ii) one-month LIBOR plus 2.5 percent, or (iii) 7.5 percent per annum. The System is also required to pay to the JPMorgan Chase Bank an annual facility fee for the letter of credit of 0.9 percent per annum of the outstanding principal amount of the bonds. No amounts were outstanding on the letter of credit as of September 30, 2022. In addition, the System is required to pay the remarketing agent an annual fee of $1.00 per $1,000 of principal amount of the bonds actually remarketed.

Compliance

The System is in compliance with its debt covenants at September 30, 2022.

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Interest Rate Swap

Related Bonds – On September 25, 2007, the System entered into an interest rate swap agreement in connection with its $104 million Harris County Hospital District Senior Lien Revenue and Refunding Bonds, Series 2007B with the settlement date on October 3, 2007. On August 12, 2010, when the System refunded and refinanced the Series 2007B Bonds by issuing Series 2010 Bonds, the interest rate swap was redesignated and associated with the new debt. The derivative contained an off-market element equal to the value of the swap associated with the Series 2007B Bonds on August 12, 2010. In accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, this off-market element is recorded as a borrowing payable and is amortized as an adjustment to interest expense over the life of the swap agreement.

Objective of the Swap – The intention of the swap was to effectively reduce the impact of the System's variable interest rate exposure on the Related Bonds to a synthetic fixed rate of 4.2 percent.

Swap terms:

Trade date	September 12, 2007
Effective date	August 16, 2010
Termination date	February 15, 2042
Initial notional amount	$103,500,000
District pays fixed	4.218%
Counterparty pays floating	SIFMA Municipal Swap Index
Payment dates	Monthly on the 15th calendar day of every month

As further defined in the confirmation to the swap agreement, the System is subject to an "Annual Counterparty Ceiling" which limits the maximum payment, inclusive of collateral, made by the System in any fiscal year to $40 million. Subject to cash settlement, the System has the right to terminate the agreement, in whole or in part, on the Effective Date, August 16, 2010, and on any Business Day (as observed by New York and London financial markets) thereafter.

The effectiveness of the interest rate swap has been measured using the regression analysis method. The System has concluded that the transactions are effective.

Fair Value – The redesignated swap that is associated with the new debt had a zero fair value at its inception date and a fair value of $(385) thousand at September 30, 2022 and is reported as a derivative liability in the statements of net position. The fair value of the swap was determined by calculating the present value of the anticipated future cash flows for both the floating portion and the stated fixed rate portion using discount factors derived from the London Interbank Offered Rate (LIBOR) swap curve.

Interest Rate Risk – The System is exposed to interest rate risk in that as the variable rates on the swap agreements decrease the System's net payment in the swap agreement could increase.

Basis Risk – The System is exposed to basis risk when the variable interest rate paid to the holders of its variable rate demand obligations is not equivalent to the variable interest rate received from its counterparties on the related swap agreements. When exposed to basis risk, the net interest expense incurred on the combination of the swap agreement and the associated variable rate debt may be higher or lower than anticipated.

Collateral Posting Risk – The risk that the System will be required to secure its obligations under the swap agreement. Any securities posted as collateral would not be available for the System's expenditure or reserve needs, which could adversely impact credit ratings and overall liquidity and budgetary efforts. The System was not exposed to collateral posting risk as of September 30, 2022.

Credit Risk – The risk of a change in the credit quality or credit rating of the System and/or its counterparty. At September 30, 2022, the swap counterparty was rated A- by Standard & Poor's, A2 by Moody's Investor Services, and BBB+ by Fitch. At September 30, 2022, the System was rated AA- by Standard & Poor's, A2 by Moody's Investor Services and AA by Fitch.

Rollover Risk – The System is exposed to rollover risk only on swaps that mature or may be terminated at the counterparty's option prior to the maturity of the associated debt. As of September 30, 2022, the System was not exposed to rollover risk.

Termination Risk – The System's swap agreements do not contain any out-of-the-ordinary termination events that would expose it to significant termination risk. In keeping with market standards, the System or the counterparty may terminate each swap if the other party fails to perform under the terms of the contract. In addition, the swap documents allow either party to terminate in the event of a significant loss of creditworthiness. If at the time of the termination a swap has a negative value, the System would be liable to the counterparty for a payment equal to the fair value of such swap. As of September 30, 2022, termination of the original swap agreement would create a liability of $8 million and would result in a reversal of the derivative liability related to the redesignated swap, the borrowing payable amount and the unamortized loss on refunding. Any resulting net change would be recorded through nonoperating expenses.

Swap Payments – Using interest rates as of the period ended September 30, 2022, debt service requirements of the System's outstanding fixed and variable-rate debt and net swap payments on the variable-rate debt were as follows (in thousands). As rates vary, variable rate interest rate payments on the bonds and net swap payments will change.

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Annual debt service requirements to maturity as of September 30, 2022 are as follows (in thousands):

	Principal	Interest	Swaps, Net	Total
Years ending September 30:				
2023	$ 7,080	$ 9,079	$ (432)	$ 15,727
2024	7,400	8,796	(412)	15,784
2025	7,755	8,452	(437)	15,770
2026	8,125	8,115	(351)	15,889
2027	8,510	7,763	(369)	15,904
2028-2032	48,810	32,971	(1,557)	80,224
2033-2037	59,510	21,491	(1,022)	79,979
2038-2042	72,165	7,609	(361)	79,413
Total	$ 219,355	$ 104,276	$ (4,941)	$ 318,690

Hybrid Instrument Borrowings – The System's interest rate swap includes fixed rates that were off market at the execution of the interest rate swap. For financial reporting purposes, the interest rate swap is considered a hybrid instrument and is bifurcated between borrowings, with an aggregate original amount of $18 million reflecting the fair value of the instrument at its execution, and an interest rate swap with a fixed rate that was considered at the market at execution.

Activity for the hybrid instrument borrowings for the seven-month period ended September 30, 2022 was as follows (in thousands).

Beginning balance	$ 8,167
Reductions	(405)
Ending balance	$ 7,762

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The following table sets forth as of September 30, 2022, the amortization of the hybrid instrument borrowings for the next five years and thereafter (in thousands).

Years ending September 30:		
2023	$	677
2024		653
2025		629
2026		604
2027		577
2028-2032		2,448
2033-2037		1,604
2038-2042		570
Total	$	7,762

Certificates of Obligation, Series 2016

In August 2016, the System issued Combination Tax and Revenue Certificates of Obligation, Series 2016 in the principal amount of $63 million. The funds are being used to expand the operative suites and supporting services at Ben Taub Hospital necessary to maintain the facility's Level 1 Trauma status. The bonds mature in February 2036. The System's financial statements reflect $50 million in outstanding principal and $4 million in unamortized premium related to this debt at September 30, 2022. No principal was paid in the seven-month period ended September 30, 2022, however interest payments made were $1 million.

Certificates of Obligation, Series 2020

In April 2020, the System issued the combination tax and revenue Certificates of Obligation, Series 2020 (the 2020 certificates of obligation) in the amount of $31 million. The 2020 certificates of obligation mature in various amounts annually starting February 15, 2021 through February 15, 2030, with a stated coupon rate of 5.0%. The 2020 Certificates are collateralized by a levy of ad valorem tax revenue and lien on and pledge of surplus revenues. Proceeds from the 2020 Certificates are being used to fund the construction and equipping of certain facilities at Ben Taub Hospital, and the purchase and installation of certain medical equipment in Harris County’s jail facilities as well as the purchase and installation of an upgraded electronic medical record system, among other facility improvements. The System's financial statements reflect $26 million in outstanding principal and $3 million in unamortized premium related to this debt at September 30, 2022. No principal was paid in the seven-month period ended September 30, 2022, however interest payments made were $768 thousand.

Annual debt service requirements to maturity as of September 30, 2022 are as follows (in thousands).

	Principal	Interest	Total
Years ending September 30:			
2023	$ 5,415	$ 3,213	$ 8,628
2024	5,685	2,936	8,621
2025	5,970	2,659	8,629
2026	6,240	2,384	8,624
2027	6,520	2,080	8,600
2028-2032	29,410	5,609	35,019
2033-2036	17,145	1,315	18,460
Total	$ 76,385	$ 20,196	$ 96,581

Note 9: Employee Benefit Plans

The System currently maintains two benefit plans allowing employees to plan and save for retirement: a defined contribution plan and a defined benefit plan. In October 2006, the Harris County Hospital District Board of Trustees amended the defined benefit pension plan to close enrollment. The amended plan offers employees hired prior to January 1, 2007, a choice to either (1) continue with their current pension plan or (2) elect to participate in the System's enhanced 401(k) retirement savings plan with a match, effective July 2007, of up to 5.0 percent of participant's compensation provided by the System. All new hires and rehires after December 31, 2006, are only eligible for the System's 401(k) retirement savings plan with a match of up to 5.0 percent. The change was designed to safeguard individuals approaching retirement, who had accumulated a large pension benefit in the current plan, while providing employees who planned to work many more years an option for better flexibility and portability in the System's enhanced 401(k) plan.

The System administers the Harris County Hospital District Pension Plan and the Harris County Hospital District 401(k) Plan. The System issues publicly available financial reports that include financial statements and required supplementary information. The financial reports may be obtained by writing to Harris Health System, Human Resources Department, 4800 Fournace Place, Bellaire, Texas 77401.

Defined Contribution Plan

The System has a defined contribution 401(k) plan (which qualifies as a tax-exempt employee benefit plan under Section 401(a) of the Internal Revenue Code) (401(k) Plan) open to all full-time and part-time employees of the System who meet the plan's requirements. It is a single-employer, self-administered, trusteed plan to which contributions are made by participants on a bi-weekly basis not to exceed the statutory maximum of $21 thousand during the calendar year 2022 for all participants. Contributions to the plan cannot exceed the statutory maximum of $27 thousand

during the calendar year 2022 for participants age 50 and older. Effective July 2007, the System enhanced the 401(k) Plan with an employer match up to 5.0 percent of the participant's compensation for eligible employees, which is 100.0 percent vested with three or more years of service. The 401(k) Plan is a governmental plan, and as such, is specifically exempt from the reporting and disclosure requirements of Title I of the *Employee Retirement Income Security Act of 1974* (ERISA). Total participant contributions were $32 million for the seven-month period ended September 30, 2022. Total System contributions were $15 million for the seven-month period ended September 30, 2022.

Forfeitures under the 401(k) Plan for a plan year will be applied to reduce the System's obligation to make future matching contributions or to pay 401(k) Plan administrative expenses for the 401(k) Plan year. During the seven-month period ended September 30, 2022, System contributions were reduced by approximately $1 million from forfeited non-vested accounts.

Pension Plan

The System has a noncontributory, defined benefit pension plan (the Plan). It is a single-employer, self-administered, trusteed plan for which a separate stand-alone financial report is issued. The Plan is administered by an Administrative Committee appointed by the Board of Trustees of the System, which is responsible for administering the Plan under the terms that are established. The Board of Trustees approves amendments to the Plan. State Street Bank & Trust Co. serves as the trustee and custodian for the Plan. As a unit of local government, the Plan is not covered by ERISA. The Plan is funded through actuarially determined contributions by the System. The entry age normal method is used to determine both the funding and the pension benefit obligation.

Each participant shall have a monthly benefit payable for life equal to the greater of (a) the number of years of service multiplied by 1.5 percent of average monthly compensation (average base compensation received in five highest consecutive calendar years out of the 10 complete calendar years prior to retirement) or (b) the accrued monthly retirement benefit determined as of January 1, 1989, plus the number of years of future service earned after January 1, 1989, multiplied by 1.5 percent of average monthly compensation, subject to a minimum equal to the benefit earned under the Plan prior to the adoption of the 6th Amendment as of September 30, 1991 (applies to non-highly compensated employees only). Monthly benefit payments are subject to a minimum based on the number of years of service multiplied by $6 and a maximum provision permitted to be paid under Section 415 of the Internal Revenue Code. Participants may also elect to receive their benefits in other optional forms approved by the Administrative Committee.

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As of December 31, 2021 (measurement date), the following employees were covered by the benefit terms:

Inactive employee or beneficiaries currently receiving benefits	3,290
Inactive employees entitled to but not yet receiving benefits	1,333
Active employees	2,014
	6,637

The Harris Health System Board of Trustees establishes the contribution requirements of the System based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the seven-month period ended September 30, 2022, the System contributed $35 million or 38.3 percent of covered payroll.

Net Pension Liability

The System's net pension liability was measured as of December 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. Actuarial assumptions and methods used in the actuarial valuations are as follows.

Valuation date	January 1, 2021
Measurement date	December 31, 2021
Actuarial cost method	Entry age normal
Equivalent single amortization period	20 years, closed
Asset valuation method	Market value
Actuarial assumptions:	
Inflation	2.5%
Investment rate of return (net of expenses)	5.75
Projected salary increases (ultimate rate):	
Initial rate	5.1
Ultimate rate	3.0
Mortality rates:	
Healthy	Pri-2012 Total Dataset Mortality Table, with generational mortality improvement projected after year 2012 using Scale MP-2021
Disabled	Pri-2012 Disability Mortality Table, with generational mortality improvement projected after year 2012 using Scale MP-2021

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2021, for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Real estate funds	5 %	6.43 %
Domestic equity-large cap	26	7.14
Domestic equity-small/mid cap	4	7.66
International equity	25	7.74
Fixed income	35	4.13
Hedge funds	5	6.01
	100 %	

The discount rate used to measure the total pension liability was 5.8 percent, net of expenses, as of December 31, 2021. The projection of cash flows used to determine the discount rate assumed that System contributions would be made at rates equal to the actuarial determined contribution and the Plan's fiduciary net position is projected to cover benefit payments and administrative expenses.

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Changes in the net pension liability are as follows (in thousands):

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances, beginning of period	$ 1,038,771	$ 876,637	$ 162,134
Changes for the year:			
Service cost	8,601	-	8,601
Interest	64,147	-	64,147
Differences between expected and actual experience	1,782	-	1,782
Changes of assumptions	61,527	-	61,527
Contributions - employer	-	57,000	(57,000)
Net investment income	-	88,725	(88,725)
Benefit payments	(53,264)	(53,264)	-
Administrative expense	-	(2,725)	2,725
Net changes	82,793	89,736	(6,943)
Balances, end of period	$ 1,121,564	$ 966,373	$ 155,191

Sensitivity of the net pension liability to changes in the discount rate – the following presents the net pension liability of the System, calculated using the discount rate of 5.8 percent, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1.0 percentage point lower (4.8 percent) or 1.0 percentage point higher (6.8 percent) than the current rate (in thousands):

	1% Decrease	Current Discount	1% Increase
System's net pension liability	$ 289,716	$ 155,191	$ 42,201

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Because the System recognized pension expense for the measurement period ended December 31, 2021 in its entirety during the year ended February 28, 2022, the System did not recognize pension expense in the seven-month period ended September 30, 2022. At September 30, 2022, the System reported deferred outflows and deferred inflows of resources related to pensions from the following sources (in thousands).

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 27,155	$ -
Differences between expected and actual experience	786	-
Net difference between projected and actual earnings on pension plan investments	-	88,153
Employer contributions remitted subsequent to the measurement date	44,840	-
Total	$ 72,781	$ 88,153

At September 30, 2022, the System reported $45 million as deferred outflows of resources related to pensions resulting from System contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability at period ended September 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Years ending September 30:	
2023	$ 7,183
2024	(37,827)
2025	(23,321)
2026	(6,247)
	$ (60,212)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial report.

Deferred Compensation

The System has a deferred compensation plan for the benefit of its eligible employees under Section 457 of the Internal Revenue Code of 1954. The assets in the Deferred Compensation Plan, which is not recorded in the accompanying statements of net position, are not subject to creditors. The Deferred Compensation Plan assets at September 30, 2022 were approximately $129 million.

Note 10: Other Postemployment Benefits (OPEB) Health Care Plan

Plan Description and Benefits Provided

The OPEB is sponsored by the System which provides certain health care benefits for retired employees. The System's employees may become eligible for those benefits upon completing 10 years of service. Retiree medical plan participants are provided benefits under the System's self-insured medical plan. The contribution requirements of plan members and the System are established by and may be amended by the System's Board of Trustees. The System funds these benefits on a pay-as-you-go basis, meaning that the System will pay benefits as they come due. For the seven-month period ended September 30, 2022, the System contributed $13 million to the Plan for current premiums and administrative costs. Plan members receiving benefits during the seven-month period ended September 30, 2022, contributed $2.7 million, or approximately 20.1 percent of the total premiums, through their required contribution. Plan members that are ages 65 and younger were required to contribute $71.92 per month for retiree-only coverage and $444.33 for retiree and spouse coverage for the seven-month period ended September 30, 2022. Plan members that are ages 65 and older were required to contribute $99.17 per month for retiree-only coverage and $520.67 for retiree and spouse coverage for the seven-month period ended September 30, 2022. The OPEB does not issue a separate report that includes financial statements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. In an amendment approved by the board on January 25, 2018, employees hired after June 1, 2018 are no longer eligible to participate in the OPEB.

At February 28, 2022 (measurement date), the following employees were covered by the benefit terms.

Inactive employee or beneficiaries currently receiving benefits	2,163
Active employees	6,108
	8,271

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Total OPEB Liability

The System's total OPEB liability of $463 million as of September 30, 2022 was determined by an actuarial valuation as of March 1, 2021 and rolled forward to the measurement date of February 28, 2022.

The total OPEB liability in the actuarial valuation report was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.5%
Discount rate	2.83%
Health care cost trend rates	6.25% for 2022, decreasing to 5.50% over 3 year and following the Getzen model thereafter

The discount rate used to measure the total OPEB liability was 2.8 percent which is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of February 28, 2022.

Mortality rates for healthy pre-commencement and post-participants were based on Pri-2012 Total Dataset Mortality Table with generational mortality improvement projected using scale MP-2021. Rates for disabled participants were based on Pri-2012 Disability Mortality Table with generational mortality improvement projected using Scale MP-2021.

No formal actuarial experience studies have been performed.

Changes in the Total OPEB Liability (In Thousands)

Total OPEB liability, beginning of period	$ 588,606
Changes for the year:	
Service cost	13,425
Interest	7,067
Experience gains	7,652
Change of assumptions	(136,204)
Benefit payments	(18,018)
Net changes	(126,078)
Total OPEB liability, end of period	$ 462,528

Sensitivity of the System's Total OPEB Liability to Changes in the Discount Rate and Health Care Cost Trend Rates

The total OPEB liability has been calculated using a discount rate of 2.8 percent. The following table presents the total OPEB liability of the System using a discount rate 1.0 percent higher and 1.0 percent lower than the current discount rate (in thousands):

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	$ 536,351	$ 462,528	$ 403,224

The following presents the total System's OPEB liability, as well as what the System's OPEB liability would be if it were calculated using health care cost trend rates that are 1.0 percent higher and 1.0 percent lower than the current health care cost trend rates (in thousands):

	1% Decrease	Healthcare Cost Trend Rates (6.25% decreasing to 5.50%)	1% Increase
Total OPEB Liability	$ 397,071	$ 462,528	$ 544,834

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Because the System recognized OPEB expense for the measurement period ended February 28, 2022 in its entirety during the year ended February 28, 2022, the System did not recognize OPEB expense in the seven-month period ended September 30, 2022. At September 30, 2022, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 98,534	$ 113,503
Differences between expected and actual experience	6,376	17,039
Employer benefit payments remitted subsequent to the measurement date	10,461	-
Total	$ 115,371	$ 130,542

Deferred outflows of resources of $10,461 thousand at September 30, 2022 representing benefits paid from the measurement date through the end of the reporting period will be recognized as a reduction in the OPEB liability during the year ended September 30, 2023.

Amounts reported as deferred outflows of resources and deferred inflows of resources at September 30, 2022 related to OPEB will be recognized in OPEB expense as follows (in thousands):

Years ending September 30,	
2023	$ 349
2024	349
2025	349
2026	(5,255)
2027	(21,424)
	$ (25,632)

Note 11: Concentrations of Credit Risk

The System provides services to its patients, most of whom are local residents and may be insured under third-party payor agreements, in accordance with its charity care policy (see *Note 2*). Patient service revenues (see *Note 3*) and the related accounts receivable are reflected in the System's financial statements net of charges for charity care provided. The mix of net receivables from self-pay patients and third-party payors at September 30, 2022 is as follows:

Medicaid	16%
Medicare	51%
Commercial	18%
Self-pay patient	15%
	100%

Note 12: Commitments and Contingencies

At September 30, 2022, the System was a defendant in certain pending civil litigation and has notice of certain claims that have been asserted against it. The System is covered under the *Texas Tort Claims Act* (the Act). Under the Act, any claims and recoveries from pending or possible litigation due to personal injuries are limited to $100 thousand per person and $300 thousand per single occurrence of bodily injury or death. Professional liability claims have been asserted by various claimants. The claims are in various stages of processing, and some may ultimately be brought to trial. There are also other known and unknown incidents that have occurred through September 30, 2022, that may result in the assertion of additional claims.

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The System covers its exposure for asserted and unasserted claims through a program of self-insurance and has accrued its best estimate of these contingent losses. In the opinion of the System's management, the outcomes of these actions will not have a material adverse effect on the financial statements of the System.

The System has self-insurance programs for the payment of hospital professional and general liability claims, workers' compensation, and employee health claims. Liabilities related to these programs are accrued utilizing actuarial analyses based on historical claims experience and are undiscounted. Changes in these self-insurance programs for the seven-month period ended September 30, 2022 are as follows (in thousands).

	Beginning-of-period Liability	Current-year Claims and Changes In Estimates	Claim Payments	End-of-period Liability
Hospital professional and general liability:	$ 2,904	$ 2,322	$ 2,023	$ 3,203
Workers' compensation liability:	$ 2,291	$ 599	$ 599	$ 2,291
Employee healthcare benefits liability:	$ 9,796	$ 90,400	$ 87,507	$ 12,689

The reserve for hospital professional and general liability, including malpractice, and the reserve for workers' compensation claims are included in accounts payable and accrued liabilities in the accompanying statement of net position. The reserve for incurred but unreported employee health claims is included in employee compensation and related benefit liabilities in the accompanying statement of net position.

The System is also exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. It is the System's policy to purchase commercial insurance for the risks of these losses. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

At September 30, 2022, the System had commitments outstanding in the amount of $72 million related to improvements at existing facilities and $6 million related to information technology projects.

The System receives financial awards from federal and state agencies in the form of grants. Expenditures of funds under those programs require compliance with the grant agreements and are subject to audit. Any disallowed expenditures resulting from such audits become a liability of the System. In the opinion of management, such adjustments, if any, are not expected to materially affect the financial condition or operations of the System.

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Note 13: Lease Liabilities

The System, as lessee, leases equipment and office space, the terms of which expire in various years through 2031. Various leases include escalation in payments on the anniversary of the commencement of the lease at various intervals. The leases were measured using the System's incremental borrowing rate as of the lease commencement which ranged from 1.88% to 6.27% based on the commencement date and term of the lease.

During the seven-month period ended September 30, 2022, the System recognized $4 million of rental expense for variable payments not previously included in the measurement of the lease liability.

The following is a schedule by year of payments under the leases as of September 30, 2022 (in thousands):

Years Ending September 30,	Total to Be Paid	Principal	Interest
2023	$ 9,740	$ 8,231	$ 1,509
2024	8,183	6,912	1,271
2025	7,272	6,044	1,228
2026	6,334	5,468	866
2027	5,894	5,214	680
2028 - 2031	17,663	16,697	966
	$ 55,086	$ 48,566	$ 6,520

The System's lease liability activity for the seven-month period ended September 30, 2022 consists of the following (in thousands):

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Lease Liabilities	$ 48,994	$ 4,863	$ (5,291)	$ 48,566	$ 8,231

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Note 14: COVID-19 Pandemic & CARES Act Funding

On March 11, 2020, the World Health Organization designated the SARS-CoV-2 virus and the incidence of COVID-19 (COVID-19) as a global pandemic. Patient volumes and the related revenues were significantly affected by COVID-19 as various policies were implemented by federal, state, and local governments in response to the pandemic that led many people to remain at home and forced the closure of or limitations on certain businesses, as well as suspended elective procedures by health care facilities.

During the seven-month period ended September 30, 2022, the System received $21 million of distributions from the *Coronavirus Aid, Relief, and Economic Security* ("CARES") *Act* Provider Relief Fund. These distributions from the Provider Relief Fund are not subject to repayment, provided the System is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for qualifying expenses or lost revenue attributable to COVID-19, as defined by HHS.

The System is accounting for such payments as conditional contributions. Payments are recognized as non-operating revenue once the applicable terms and conditions required to retain the funds have been met. Based on an analysis of the compliance and reporting requirements of the Provider Relief Fund and the effect of the pandemic on the System's operating revenues and expenses through the seven-month period ended September 30, 2022, the System recognized $21 million in the period ended September 30, 2022, related to the Provider Relief Fund, and these payments are recorded as Provider Relief Fund revenue in the statement of revenues, expenses and changes in net position.

The System will continue to monitor compliance with the terms and conditions of the Provider Relief Fund and the effect of the pandemic on the Hospital's revenues and expenses. The terms and conditions governing the Provider Relief Funds are complex and subject to interpretation and change. If the System is unable to attest to or comply with current or future terms and conditions the System's ability to retain some or all of the distributions received may be affected. Additionally, the amounts recorded in the financial statements compared to the System's Provider Relief Fund reporting could differ. Provider Relief Fund payments are subject to government oversight, including potential audits.

Note 15: GASB Statements Issued but not yet Effective

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94) provides uniform guidance on accounting and financial reporting for public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use an infrastructure or other nonfinancial asset (the underlying PPP asset) for a period of time in an exchange or exchange-like transaction. GASB 94 also addresses APAs, which are arrangements where a government compensates an operator for services that may include designing, constructing,

financing, maintaining or operating an underlying infrastructure or other nonfinancial asset for a period of time in an exchange or exchange-like transaction. This statement requires governments to report assets and liabilities related to PPPs consistently and disclose information about PPP transactions. The requirements of GASB 94 are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The changes would be applied retrospectively, if practicable, for all prior fiscal years presented. PPPs would be recognized and measured using the facts and circumstances that exist at the beginning of the implementation period or, if applicable to earlier periods, the beginning of the earliest period restated. In the year of adoption, the financial statement notes should disclose the nature of the restatement and its effect or the reason for not restating prior years presented.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements* (GASB 96) provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosure regarding a SBITA. To the extent relevant, the standards for a SBITAs are based on the standards established in GASB 87. The requirements of GASB 96 are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 101 – *Compensated Absences* (GASB 101) updates the recognition and measurement guidance for compensated absences under a unified model. It defines compensated absences and requires that liabilities be recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled. A liability for compensated absences should be accounted for and reported on a basis consistent with governmental fund accounting principles for financial statements prepared using the current financial resources measurement focus. GASB 101 amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of GASB 101 are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The changes adopted at transition to conform to the provisions of GASB 101, should be reported as a change in accounting principle in accordance with GASB Statement No 100, *Accounting Changes and Error Corrections*, including the related display and disclosure requirements.

Required Supplementary Information

Harris County Hospital District
d/b/a Harris Health System
A Component Unit of Harris County, Texas
Schedule of Changes in the System's Net Pension Liability and Related Ratios
December 31,
(Dollar amounts in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:								
Service cost	$ 8,601	$ 8,036	$ 8,057	$ 8,280	$ 6,803	$ 7,232	$ 7,795	$ 8,642
Interest	64,147	64,307	63,183	60,495	61,427	59,397	57,482	52,342
Difference between expected and actual experience	1,782	3,807	243	8,000	1,718	(4,063)	4,637	(1,909)
Changes of assumptions	61,527	50,545	23,528	15,748	10,709	-	-	40,689
Benefit payments	(53,264)	(50,184)	(47,367)	(44,712)	(42,563)	(40,178)	(44,023)	(34,444)
Net change in total pension liability	82,793	76,511	47,644	47,811	38,094	22,388	25,891	65,320
Total pension liability – beginning	1,038,771	962,260	914,616	866,805	828,711	806,323	780,432	715,112
Total pension liability – ending (a)	1,121,564	1,038,771	962,260	914,616	866,805	828,711	806,323	780,432
Plan fiduciary net position:								
Contributions – employer	57,000	53,778	33,621	30,984	29,433	32,693	31,759	31,292
Net investment income	88,725	138,087	119,362	(35,426)	107,519	37,401	(4,891)	37,069
Benefit payments	(53,264)	(50,184)	(47,367)	(44,712)	(42,563)	(40,178)	(44,023)	(34,444)
Administrative expense	(2,725)	(2,366)	(3,010)	(2,442)	(2,478)	(232)	(2,389)	(2,302)
Net change in plan fiduciary net position	89,736	139,315	102,606	(51,596)	91,911	29,684	(19,544)	31,615
Plan fiduciary net position – beginning	876,637	737,322	634,716	686,312	594,401	564,717	584,261	552,646
Plan fiduciary net position – ending (b)	966,373	876,637	737,322	634,716	686,312	594,401	564,717	584,261
System's net pension liability – ending (a) – (b)	$ 155,191	$ 162,134	$ 224,938	$ 279,900	$ 180,493	$ 234,310	$ 241,606	$ 196,171
Plan fiduciary net position as a percentage of the total pension liability	86.16%	84.39%	76.62%	69.40%	79.18%	71.73%	70.04%	74.86%
Covered payroll	$ 148,657	$ 156,479	$ 163,835	$ 169,885	$ 173,272	$ 182,060	$ 197,360	$ 210,728
System's net pension liability as a percentage of covered payroll	104.40%	103.61%	137.30%	164.76%	104.17%	128.70%	122.42%	93.09%

Notes to Schedule:

Changes of assumptions – In 2014, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2014 bottom quartile mortality tables with generational mortality improvement projected after 2014 with 50% of Scale MP-2014 for purposes of developing mortality rates.

Changes of assumptions – In 2017, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the MP-2017 scale and rate of return on investments from 7.5% to 7.0%.

Changes of assumptions – In 2018, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2014 total dataset mortality tables with generational mortality improvement projected after 2006 using Scale MP-2018 for purposes of developing mortality rates and change in inflation rate from 3.0% to 2.5%.

Changes of assumptions – In 2019, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the Pri-2012 total dataset mortality tables with generational mortality improvement projected after 2012 using Scale MP-2019 for purposes of developing mortality rates and change in investment return rate from 7.0% to 6.75%.

Changes of assumptions – In 2020, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the Pri-2012 total dataset mortality tables with generational mortality improvement projected after 2012 using Scale MP-2020 for purposes of developing mortality rates and change in investment return rate from 6.75% to 6.25%.

Changes of assumptions – In 2021, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the Pri-2012 total dataset mortality tables with generational mortality improvement projected after 2012 using Scale MP-2021 for purposes of developing mortality rates and change in investment return rate from 6.25% to 5.75%.

Harris County Hospital District
d/b/a Harris Health System
A Component Unit of Harris County, Texas
Schedule of System Pension Contributions
September 30,
(Dollar amounts in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 36,225	$ 36,056	$ 33,621	$ 30,984	$ 29,433	$ 32,693	$ 31,759	$ 31,292
Contributions in relation to the actuarially determined contribution	57,000	53,778	33,621	30,984	29,433	32,693	31,759	31,292
Contribution deficiency (excess)	$ (20,775)	$ (17,722)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 148,657	$ 156,479	$ 163,835	$ 169,885	$ 173,272	$ 182,060	$ 197,360	$ 210,728
Contributions as a percentage of covered payroll	38.34%	34.37%	20.52%	18.24%	16.99%	17.96%	16.09%	14.85%

Notes to Schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Layered over a closed 20-year period
Asset valuation method	Market value, 5-year smoothing
Inflation	2.5%
Salary increases	5.1% initial rate 3.0% ultimate rate
Investment rate of return	5.75%, net of pension plan investment expense, including inflation
Retirement age	Various – Expected retirement ages are adjusted to more closely reflect actual experience
Mortality	Pri-2012 Disability Mortality Table, with generational mortality improvement projected after year 2012 using Scale MP-2021

Harris County Hospital District
d/b/a Harris Health System
A Component Unit of Harris County, Texas

Schedule of Changes in the System's Total OPEB Liability and Related Ratios

February 28,

(Dollar amounts in thousands)

	2022	2021	2020	2019
Total OPEB liability:				
Service cost	$ 13,425	$ 9,895	$ 9,424	$ 9,746
Interest	7,067	11,990	15,195	13,820
Experience gains	7,652	(3,056)	(30,004)	-
Changes of assumptions	(136,205)	100,078	63,631	-
Benefit payments	(18,017)	(16,731)	(16,137)	(20,173)
Net change in total OPEB liability	(126,078)	102,176	42,109	3,393
Total OPEB liability – beginning	588,606	486,430	444,321	440,928
Total OPEB liability – ending	$ 462,528	$ 588,606	$ 486,430	$ 444,321
Covered employee payroll	$ 432,158	$ 449,724	$ 514,871	$ 491,810
System's total OPEB liability as a percentage of covered payroll	107.03%	130.88%	94.48%	90.34%

Notes to Schedule:

This schedule is presented as of the measurement date.

In an amendment approved by the board on January 25, 2018, employees hired after June 1, 2018 are no longer eligible to participate in the OPEB.

Changes of assumptions – Change in discount rate from 4% in 2018 to 3.21% in 2019

Changes of assumptions – In 2020, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the Pri-2012 total dataset mortality table projected with Improvement Scale MP-2019 as of February 29, 2020. Additionally, the discount rate was changed to 2.50% and the medical trend assumption was updated from 6.50% grading uniformly to 4.75% over 7 years to 7.50% grading uniformly to 6.75% over 3 years and following the Getzen model thereafter.

Changes of assumptions – In 2021, amounts reported as changes of assumptions resulted primarily from changing the mortality improvement assumption to the Improvement Scale MP-2020. Additionally, the discount rate was changed to 1.21% and the medical trend assumption was updated from 7.50% grading uniformly to 6.75% over 3 years to 6.50% grading uniformly to 5.75% over 3 years and following the Getzen model thereafter.

Changes of assumptions – In 2022, amounts reported as changes of assumptions resulted primarily from changing the mortality improvement assumption to the Improvement Scale MP-2021. Additionally, the discount rate was changed to 2.83% and the medical trend assumption was updated from 6.50% grading uniformly to 5.75% over 3 years to 6.25% grading uniformly to 5.50% over 3 years and following the Getzen model thereafter.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

BOARD OF TRUSTEES

Compliance and Audit Committee

HARRISHEALTH SYSTEM

Thursday, February 09, 2023

Consideration of Acceptance of the Harris Health System Single Audit Report of Federal and State Award Programs for the Stub Year Ended September 30, 2022

Representatives from the external audit firm FORVIS, LLP, will provide an overview of the results of the audit engagement for the Harris Health System Single Audit Report of Federal and State Award Programs for the Budget and Finance Committee's consideration and approval.

A copy of the draft report is attached.

Management recommends the acceptance of the Harris Health System Single Audit Report of Federal and State Award Programs for the Stub Year Ended September 30, 2022.

DRAFT

Harris County Hospital District
d/b/a Harris Health System
(A Component Unit of Harris County, Texas)

Single Audit Reports

September 30, 2022

Harris County Hospital District
d/b/a Harris Health System
(A Component Unit of Harris County, Texas)
September 30, 2022

Contents

Harris County Hospital District
d/b/a Harris Health System
(A Component Unit of Harris County, Texas)
Schedule of Expenditures of Federal and State Awards
Seven-months Ended September 30, 2022

Federal Grantor/Passthrough Grantor/State Grantor/Federal Program Title	Assistance Listing Number	Grantor Number	Grant Period	Expenditures	Amount Paid to Subrecipients
U.S. Department of Health and Human Services					
Substance Abuse and Mental Health Services					
Projects of Regional and National Significance	93.243	1H79TI084352-01	9/30/21 to 9/29/22	$ 171,029	$ -
Coordinated Services and Access to Research for	93.153	H12HA24800-09-00	8/1/21 to 7/31/22	152,680	-
Women, Infants, Children, and Youth		H12HA24800-10-00	8/1/22 to 7/31/23	34,101	-
Total-ALN 93.153				186,781	-
Health Center Program Cluster					
Health Center Program	93.224	6 H80CS00039-21-00	1/1/22 to 12/31/22	1,835,503	-
Health Center Program		H80CS00038-10-03	3/1/21 to 2/28/22	29,607	-
Health Center Program		6 H80CS00038-20-08	1/1/22 to 8/31/22	86,776	
COVID-19 Health Center Program		H8FCS40542-01	4/1/21 to 3/31/23	528,591	-
COVID-19 Health Center Program		4 H8ECS38745-01	5/1/20 to 4/30/22	15,515	-
COVID-19 Health Center Program		4 H8DCS36482-01	4/1/20 to 3/31/22	117,872	-
COVID-19 Health Center Program		6 H8CCS35283-01	3/15/20 to 3/14/22	1,101	-
Total-ALN 93.224				2,614,965	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	H76HA00128-31	1/1/22 to 12/31/22	382,395	-
COVID-19 Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease		H7CHA37097-01-00	4/1/20 to 3/31/22	2,336	-
Total-ALN 93.918				384,731	-
Maternal Opioid Misuse Model	93.687	2A2CMS331766-01-00	1/1/22 to 12/31/22	475,750	-
Opioid STR	93.788	HHS001062800003	10/1/21 to 9/30/22	267,256	-
Total Direct U.S. Department of Health and Human Services				4,100,512	-
Passed Through Harris County Public Health Department:					
HIV Emergency Relief Project Grants	93.914	22GEN0578	3/1/22 to 2/28/23	4,964,911	-
Passed Through the Univ of Texas MD Anderson Cancer Center					
Research and Development Cluster					
Cancer Treatment Research	93.395	3MU1 AI068619	9/1/21 to 12/31/22	23,684	-

The accompanying notes are an integral part of this Schedule.

Harris County Hospital District
d/b/a Harris Health System
(A Component Unit of Harris County, Texas)
Schedule of Expenditures of Federal and State Awards (Continued)
Seven-months Ended September 30, 2022

Federal Grantor/Passthrough Grantor/State Grantor/Federal Program Title	Assistance Listing Number	Grantor Number	Grant Period	Expenditures	Amount Paid to Subrecipients
Passed Through City of Houston:					
HIV Prevention Activities – Health Department Based	93.940	C20-002-22	1/1/22 to 12/31/22	144,945	-
Passed Through Texas Department of State Health Services					
HIV Prevention Activities – Health Department Based	93.940	HHS000322300001	1/1/21 to 8/31/22	76,412	-
Total-ALN 93.940				221,357	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	HHS000322300001	1/1/21 to 8/31/22	76,667	-
Passed Through Texas A&M University Health Science Center					
Immunization Cooperative Agreements	93.268	HHS0001043100001	8/31/21 to 8/31/22	31,487	-
Passed Through Texas Health & Human Services Commission					
Cancer Prevention & Control Program for State, Territorial and Tribal Organizations (Fee-for-Service)	93.898	HHS 000734600039	9/1/21 to 8/31/22	386,388	-
Maternal and Child Health Services Block Grant to the States (Fee-for-Service)	93.994	529-17-0023-00037A	9/1/21 to 8/31/22	70,474	-
Passed Through Baylor College of Medicine					
HIV-Related Training and Technical Assistance	93.145	U10HA29290	7/1/21 to 6/30/22	4,823	-
Passed Through Baylor College of Medicine					
Research and Development Cluster					
Minority Health and Health Disparities Research	93.307	1 H8FCS40542-01	1/1/22 to 12/31/22	135,578	-
Total U.S. Department of Health and Human Services				10,015,881	-
U.S. Department of Homeland Security					
Passed through the Texas Department of Public Safety					
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	DR-4332	8/23/17 to 8/22/20	371,158	-
Total U.S. Department of Homeland Security				371,158	-
U.S. Department of Justice					
Passed through the City of Houston					
Crime Victim Assistance	16.575	2016-VA-GX-0033	10/1/21 to 9/30/22	32,949	-
Total U.S. Department of Justice				32,949	-
Total Expenditures of Federal Awards				$ 10,419,988	$ -

The accompanying notes are an integral part of this Schedule.

Harris County Hospital District
d/b/a Harris Health System
(A Component Unit of Harris County, Texas)
Schedule of Expenditures of Federal and State Awards (Continued)
Seven-months Ended September 30, 2022

Federal Grantor/Passthrough Grantor/ State Grantor/Federal Program Title	Grantor Number	Grant Period	Expenditures	Amount Paid to Subrecipients
Office of the Texas Governor				
Enhancement of a Community SAFE-Ready Facility	3942103	9/1/21 to 8/31/22	$ 13,729	$ -
	3942104	9/1/22 to 8/31/23	9,616	-
Total-Enhancement of a Community SAFE-Ready Facility			23,345	-
Texas Department of State Health Services				
TB-Prevention and Control – Hospitals (Fee-for-Service)	HHS000454800001	9/1/21 to 8/31/22	7,840	-
ACS Epilepsy Program	HHS000701500003	9/1/21 to 8/31/22	68,186	-
	HHS000701500003	9/1/22 to 8/31/23	9,682	-
Total-ACS Epilepsy Program			77,868	
AIDS Drug Assistance Program Eligibility	18HHS00SS-R	4/1/21 to 3/31/22	13,490	-
	19HHS00SS-R	4/1/22 to 3/31/23	69,701	-
Total - AIDS Drug Assistance Program Eligibility			83,191	-
Total Texas Department of State Health Services			168,899	-
Texas Health and Human Services Commission				
Title V Fee for Service Prenatal Medical and Dental Grant Program	HHS000136500015	9/1/21 to 8/31/22	28,198	-
Family Planning Grant Program (Fee-for-Service)	HHS000734600039	9/1/21 to 8/31/22	844,530	-
	HHS000734600039	9/1/22 to 8/31/23	10,972	-
Total Family Planning Grant Program			855,502	-
Healthy Texas Women's Grant Program	HHS000734600039	9/1/21 to 8/31/22	30,876	-
	HHS000734600039	9/1/22 to 8/31/23	3,373	-
Total Healthy Texas Women's Grant Program			34,249	-
Breast & Cervical Cancer Control Program (Fee-for-Service)	HHS000734600039	9/1/21 to 8/31/22	352,191	-
Total Texas Health and Human Services Commission			1,270,140	-

The accompanying notes are an integral part of this Schedule.

Harris County Hospital District
d/b/a Harris Health System
(A Component Unit of Harris County, Texas)
Schedule of Expenditures of Federal and State Awards (Continued)
Seven-months Ended September 30, 2022

Federal Grantor/Passthrough Grantor/ State Grantor/Federal Program Title	Grantor Number	Grant Period	Expenditures	Amount Paid to Subrecipients
Cancer Prevention and Research Institute of Texas				
Passed through Baylor College of Medicine				
Colorectal Screening and Follow-up Among an Urban Medically Underserved Population	PP170094	8/31/21 to 8/30/22	136,993	-
Expansion of Cancer Prevention Services to Rural and Medically Underserved Populations	PP220038	8/31/22 to 8/30/23	7,067	-
Texas Clinical Trial Participation Program Award	RP210143	8/31/22 to 8/30/23	5,642	-
Expanding a Community Network for Cancer Prevention to Increase HPV Vaccine Uptake and Tobacco Prevention in a Medically Underserved Pediatric Population	PP190051	8/31/21 to 8/30/22	67,431	-
Community Network for Cancer Prevention to Improve Cervical and Colorectal Screening and Follow-up Among an Urban Medically	PP210007	8/31/21 to 8/30/22	13,030	-
Underserved Population	PP210007	8/31/22 to 8/30/23	19,453	-
Total Cervical Cancer and Colorectal Screening Program			32,483	-
Total Cancer Prevention and Research Institute of Texas			249,616	-
Total Expenditures of State Awards			1,712,000	-
Total Expenditures of Federal and State Awards			$ 12,131,988	$ -

The accompanying notes are an integral part of this Schedule.

Harris County Hospital District, d/b/a Harris Health System
(A Component Unit of Harris County, Texas)
Notes to the Schedule of Expenditures of Federal and State Awards
Seven-months Ended September 30, 2022

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (Schedule) includes the federal and state award activity of Harris County Hospital District, d/b/a Harris Health System (System) under programs of the federal and state of Texas governments for the seven-months ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *Texas Grant Management Standards* (TxGMS). Because the Schedule presents only a selected portion of the operations of the System, it is not intended to and does not present the financial position, changes in net position or cash flows of the System.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance or TxGMS, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Cost Rate

The System has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Federal Loan Programs

The System did not have any federal or state loan programs during the seven-months ended September 30, 2022.

Note 5: FEMA Expenditures

Non-federal entities must record expenditures for Federal Emergency Agency (FEMA) projects on the Schedule when: 1) FEMA has approved the non-federal entity's project worksheet and, 2) the non-federal entity has incurred the eligible expenditures. The expenditures for the seven-months ended September 30, 2022 for Federal Assistance Listing Number 97.036 include $371,158 of expenditures that were incurred by the System prior to March 1, 2022 that the project worksheet was approved during the seven-months ended September 30, 2022.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Board of Trustees
Harris County Hospital District
d/b/a Harris Health System
Houston, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and the aggregate discretely presented component units of Harris County Hospital District, d/b/a Harris Health System (System), a component unit of Harris County, Texas, as of and for the seven-months ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated February __, 2023. Our report includes reference to other auditors who audited the financial statements of Harris County Hospital District Foundation and an emphasis of matter paragraph regarding the adoption of a new standard, as described in our report on the System's financial statements. The financial statements of the Harris County Hospital District Foundation, Community Health Choice, Inc. and Community Health Choice Texas, Inc., the discretely presented component units included in the System's financial statements, were not audited in accordance with *Government Auditing Standards* and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these discretely presented component units.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dallas, Texas
February __, 2023

Report on Compliance for Each Major Federal and State Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the *Texas Grant Management Standards*

Independent Auditor's Report

Board of Trustees
Harris County Hospital District
d/b/a Harris Health System
Houston, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Harris County Hospital District, d/b/a Harris Health System's (System) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *Texas Grant Management Standards* (TxGMS) that could have a direct and material effect on each of the System's major federal and state programs for the seven-months ended September 30, 2022. The System's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the System complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the seven-months ended September 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and TxGMS. Our responsibilities under those standards, the Uniform Guidance and TxGMS are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the System's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the System's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the System's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the System's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and TxGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the System's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the System's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and TxGMS, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and TxGMS. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and TxGMS

We have audited the financial statements of the business type activities and the aggregate discretely presented component units of the System as of and for the seven-months ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the System's basic financial statements. We issued our report thereon dated February __, 2023, which contained unmodified opinions on those financial statements and reference to other auditors and an emphasis of matter paragraph regarding the adoption of a new accounting standard. Our audits were performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and TxGMS and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

Dallas, Texas
February __, 2023

Harris County Hospital District, d/b/a Harris Health System
(A Component Unit of Harris County, Texas)
Schedule of Findings and Questioned Costs
Seven-months Ended September 30, 2022

Section I – Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

   Material weakness(es) identified? ☐ Yes ☒ No

3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal and State Awards

4. Internal control over major federal and state awards programs:

   Significant deficiency(ies) identified? ☐ Yes ☒ None reported

   Material weakness(es) identified? ☐ Yes ☒ No

5. Type of auditor's report issued on compliance for major federal and state award programs:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)? ☐ Yes ☒ No

7. Any audit findings disclosed that are required to be reported by TxGMS? ☐ Yes ☒ No

8. Identification of major federal and state programs:

Cluster/Program	Assistance Listing Number
Health Center Program [Federal]	93.224
Family Planning Grant Program [State]	State

9. The threshold used to distinguish between Type A and Type B federal programs: $750,000.

10. The threshold used to distinguish between Type A and Type B state programs: $750,000.

Harris County Hospital District, d/b/a Harris Health System
(A Component Unit of Harris County, Texas)
Schedule of Findings and Questioned Costs (Continued)
Seven-months Ended September 30, 2022

11. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

Section IV – State Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

Harris County Hospital District, d/b/a Harris Health System
(A Component Unit of Harris County, Texas)
Summary Schedule of Prior Audit Findings
Seven-months Ended September 30, 2022

Reference Number	Summary of Finding	Status
2022-001	COVID-19 Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution ALN 93.498 U.S. Department of Health and Human Services Program Year 2021 - 2022 Criteria or specific requirement – Activities Allowed or Unallowed – Law (Pub. L. No 116-136, 134 Stat. 563 and Pub. L. No 116-139, 134 Stat. 622 and 623); Allowable Costs/Cost Principles Condition – The System's records reflected an invoice in the total other PRF expenses of $1,040, but the supporting invoices and payment support was for $225. Questioned Costs – $815 Context – Out of a population of $3,780 other PRF expenses reported in the PRF Reporting Portal, a sample of 40 was selected for testing. Our sample was not, and was not intended to be, statistically valid. Support for one expense was less than what was reflected in the System's records. Effect – Other PRF expenses were overstated. Cause – A purchase order was improperly marked in the system as fully received, resulting in the full amount being accrued when only a part of the invoice had been received.	Resolved

BOARD OF TRUSTEES

Compliance and Audit Committee

HARRISHEALTH SYSTEM

Thursday, January 26, 2023

Consideration of Approval of Proposed Revisions to Harris Health System's Code of Conduct

Summary of Proposed Revisions

The Executive Corporate Compliance and Enterprise Risk Committee is proposing revisions Harris Health's Code of Conduct to reflect the maturity and growth of Harris Health's culture of compliance and its continued progression towards becoming a high reliability organization with zero patient harm. The Code of Conduct (current version) is available on the internet at www.harrishealthcoc.org. The proposed revisions to the Code of Conduct will be made to the web version once approved.

Below is a high-level summary of the notable proposed revisions:

1. **Updated Message from the CEO:**

Dr. Porsa updated his personal message to all Harris Health workforce members in which he sets forth his expectation that all workforce members vigilantly abstain from wrongdoing and perform their job in an ethical manner. Further, Dr. Porsa reminds all workforce members in his message of the honor and privilege of all Harris Health employees to serve our patient population.

2. **Updated Harris Health System's Values:**

The prior version of the Code of Conduct reflected out-of-date values. As a result, the Code of Conduct now appropriately reflects Harris Health System's Value of "QUALITY."

3. **Incorporation of Strategic Plan and Pillars:**

Previously, the Code of Conduct did not incorporate Harris Health's Strategic Plan and Pillars. Given the great importance of the Strategic Plan and Pillars as guiding principles, the proposed revisions include a link to Harris Health's Strategic Plan as well as integrates all six of Harris Health's Strategic Pillars into the Code of Conduct. Specifically, the Code of Conduct incorporates the Strategic Pillars in a way that highlights how the Code's Pillars of Conduct support Harris Health's Strategic Pillars and vice-versa and the interdependence of each to accomplish Harris Health's objectives.

4. **Inclusion of Harris Health's Just and Accountable Culture:**

The proposed revisions include and promote Harris Health's Just and Accountable Culture in such a way as to underscore how the Code of Conduct buttresses the adoption, acceptance, and achievement of a Just and Accountable Culture.

5. **Addition of Pertinent Information:**

Based on lessons learned and Harris Health's continued evolution towards a high reliability organization, the Code of Conduct incorporates new workforce and Harris Health responsibilities, FAQs, and policies. For example, the proposed revisions include a specific FAQ that involves Harris Health's EMTALA obligations when a patient becomes disruptive in the Emergency Center. In addition and by way of further example, the Code specifies Harris Health's responsibilities as it pertains to promoting and embracing diversity, equity, and inclusion.

[COVER]

CODE OF CONDUCT

Stay true to our Mission, Vision, Values, and Promise.

Your official guide to maintaining our high standards of conduct and ethics

TABLE OF CONTENTS

        - Compliance with Laws
    - **Respect**
        - Protecting Patient Rights
        - Human Resources
    - **Accountability**
        - Quality Care
        - Billing/Coding
- Additional Resources

A MESSAGE FROM ESMAEIL PORSA, MD

Dear Harris Health Family,

As we strive to become a high reliability organization one in which zero patient harm is not only a possibility but an expectation, we must also stand firm against any wrong doing be it ethical, legal, moral, financial or otherwise. We are honored to serve some of the most vulnerable in our community. With this honor comes the trust and the duty that we conduct ourselves beyond reproach. I call on all of us to continue on this journey with steadfast determination and tireless vigilance.

To help us achieve these goals, Harris Health's Code of Conduct explains our expectations and our policies. It gives us the tools to confidentially report any ethical or legal violations that you know about, suspect, or become aware of *without any fear of retaliation.*

I encourage you to read and become familiar with Harris Health's Code of Conduct. With your personal commitment, we are well on our way to becoming the premier public academic healthcare system in the nation.~~Dear Employees and Colleagues,~~

Sincerely,
~~George V. Masi~~Esmaeil Porsa, MD
President & Chief Executive Officer
Harris Health System

MISSION, VISION, VALUES, AND PROMISE

Our Code of Conduct puts our Mission, Vision, Values, and Promise into practice. It provides standards of conduct that must be followed by everyone who works at or with Harris Health ~~System~~: Our Board of Trustees, employees, members of our medical staff, trainees, contractors, volunteers, and vendors. Our Code of Conduct aligns with and supports Harris Health's strategic plan and pillars as well as Harris Health's policies and procedures.

Commented [WCR1]: Please include the link to the plan here: https://www.harrishealth.org/SiteCollectionDocuments/strategic-plan.pdf

OUR MISSION

We are a community-focused academic healthcare system dedicated to improving the health of those most in need in Harris County through quality care delivery, coordination of care, and education.

OUR VISION

We will become the premier public academic healthcare system in the nation.

OUR VALUES

Harris Health values QUALITY

- **Q**uality and Patient Safety
- **U**nited as One Harris Health System
- **A**ccountable and Just Culture
- **L**eadership & Integrity
- **I**nnovation, Education, Research
- **T**rust, Recognition, Respect
- **Y**ou: Patients, Employees, Medical Staff~~Our patients, staff, and partners~~

~~Diversity and inclusion~~

To provide high-quality healthcare by knowledgeable and highly trained staff~~.~~;

To provide prompt, friendly, and courteous service~~.~~;

To be sensitive and responsive to our patients' needs and concerns and the needs and concerns of their family members and friends~~.~~; and

To provide a clean, comfortable, and safe environment in all our facilities.

OUR STRATEGIC PILLARS

We will strive to accomplish the goals and objectives of each Strategic Pillar by aligning behavior and actions in furtherance of each Pillar. Our Strategic Pillars are:

- Quality and Patient Safety
- People

- One Harris Health System
- Population Health Management
- Infrastructure Optimization
- Diversity, Equity, and Inclusion.

The Role of Corporate Compliance at Harris Health

The Office of Corporate Compliance is responsible for developing and fostering a culture of ethical conduct. The Office of Corporate Compliance is charged with the duty of providing education, training, and guidance to workforce members and implementing a compliance program that prevents, detects, and corrects accidental or intentional violations of federal and state laws or regulations and/or Harris Health policies and this Code of Conduct.

~~Our~~ Carolynn Jones, Harris Health's Chief Compliance and Risk ~~Compliance~~ Officer, provides executive-level direction for the compliance program and is responsible for incorporating the c~~C~~ompliance p~~P~~rogram within Harris Health's operations and programs through collaboration with executive ~~management~~leadership. The Chief Compliance and Risk ~~Officer~~ Officer also has a direct line of communication and independent responsibility ~~direct access to and directly reports~~ to the Board of Trustees.

The Board of Trustees' ~~Audit and Corporate~~ Compliance and Audit Committee assists the Board of Trustees in its oversight responsibilities of the ~~Corporate Compliance~~ Office of Corporate Compliance's efforts to cultivate an ethical and compliant culture and sets the tone for a culture of compliance within Harris Health.

Below please find the contact information for the Chief Compliance and Risk Officer as well as the Deputy Compliance Officer:

Carolynn Jones, JD, CHC (She/Her/Hers)

EVP, Chief Compliance & Risk Officer

Harris Health System |

Office: 346-426-0174 |

Email: Carolynn.Jones@harrishealth.org

Anthony B. Williams, MBA, CHC, CSSGB

VP Corporate Compliance/Deputy Compliance Officer

4800 Fournace Place | Bellaire, TX 77401

Office: 346-426-0109

Email: Anthony.williams5@harrishealth.org

INTRODUCTION TO OUR CODE OF CONDUCT

Our Responsibilities under the Code of Conduct

Everyone who works at or with Harris Health has a responsibility to perform his or her job duties in compliance with the Code of Conduct. All potential violations of the Code of Conduct should be reported pursuant to the 4-Step Reporting Process.

Harris Health has adopted a Just and Accountable Culture. ~~Just and Accountable Culture.~~ This means that when a violation of the Code of Conduct is reported to the Office of Corporate Compliance, the violation is treated as an opportunity to understand the behavioral choice and/or system failures that led to the violation. ~~Click here to learn more about Harris Health's Just and Accountable Culture. https://youtu.be/6eUFPOnCm2I~~

Leadership Responsibilities Under Our Code of Conduct

Managers and supervisors have the following additional responsibilities under our Code of Conduct:

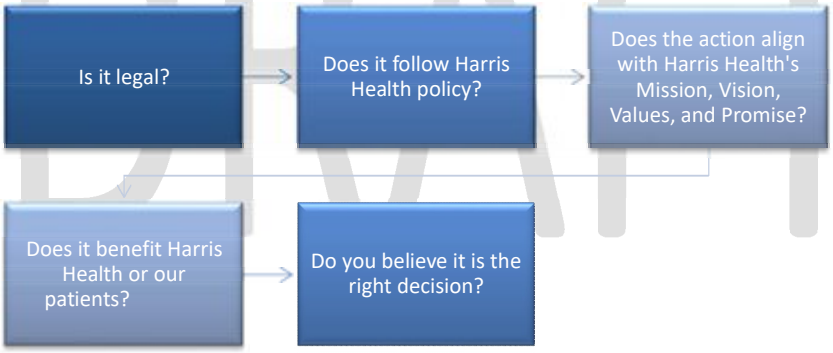
- **Be an example**
    - Promote the Code of Conduct in daily activities by complying with the Code of Conduct. Specifically, ~~you~~ managers and supervisors should know, understand, and follow the statutes, rules, and regulations that govern your area of responsibility. Managers and supervisors should also report any and all potential violations of the Code of Conduct.
- **Be accessible**
    - Managers and supervisors should have an open-door policy so that workforce members feel comfortable asking questions about the Code of Conduct or raising concerns regarding potential violations.
- **Be responsive**
    - Managers and supervisors should identify compliance risks and respond in a timely manner to address the identified risks. Further, ~~supervisors~~ managers and supervisors~~and managers~~ should give prompt answers to any questions or concerns regarding the Code of Conduct or refer questions to the Office of Corporate Compliance.

Quiz: What should I do?

There may be times when you are unsure whether an activity or situation is unethical or illegal. Certain words and phrases raise "red flags" that an action could violate our Code of Conduct. Specifically, all of the following phrases should send a warning signal to you:

- "Well, maybe just this once."
- "Everyone does it."
- "No one will ever know."
- "No one will get hurt."

If you are ever unsure what decision to make, use the following quiz to determine whether you are making the right choice for Harris Health and our patients or whether you should seek additional guidance before you act.



If you answered "no" or are unsure of the answer to any of the above questions, you should contact your manager or supervisor, another trusted manager, or Harris Health's Office of Corporate Compliance before you proceed.

Reporting Compliance Issues and Understanding Harris Health's Non-Retaliation Policy

Reporting Compliance Issues

Harris Health has a Just and Accountable Culture ("JAC"). JAC is how Harris Health reacts to and manages human errors, mistakes, and violations of laws or regulations. JAC promotes a process where mistakes, errors, and/or violations of laws or regulations do not result in *automatic* punishment, but rather result in a process to uncover the source of the error or violation. Errors that are not deliberate or malicious may result in coaching, counseling, and education around the error and/or violation, ultimately decreasing the likelihood of a repeated error or violation.

Both the Just and Accountable Culture and Harris Health's Code of Conduct and JAC require you to report known or suspected violations of the Code of Conduct. If you have a question or concern about an activity violating the Code of Conduct by being unethical, illegal, or wrong, use the following 4-Step Reporting Process to report your concerns.

Step 1: Talk to your supervisor. He or she is most familiar with the laws, regulations, and policies that relate to your specific job responsibilities.

Step 2: If you are not comfortable contacting your supervisor, if you do not receive an adequate response from your supervisor, or if both you and your supervisor and you still have questions or concerns, talk to another member of the management team.

Step 3: If you still have concerns, contact the Office of Corporate Compliance Office at 713346-566426-69481505 or at corporatecompliance@harrishealth.org.

Step 4: If, for any reason, you feel that you cannot follow the above steps, you can always call Harris Health's confidential Corporate Compliance Hotline at 800844-500565-03330621 or use https://secure.ethicspoint.com/domain/media/en/gui/78122/index.html. The Corporate Compliance Hotline is operated by an independent third party and the Office of Corporate Compliance only receives information authorized by the caller. The Corporate Compliance Hotline is available 24 hours a day, 365 days a year. Your identity remains anonymous unless you choose to identify yourself. Additionally, the Office of CCorporate Compliance keeps your identity confidential to the extent allowed by law unless your identity is critical for the resolution of an investigationw. Harris Health's Corporate Compliance Officer reviews, investigates, and responds to all calls made to the Hotline.

Our Non-Retaliation Policy

Harris Health does not tolerate retaliation against anyone who, in good faith, reports an actual or suspected violation of the Code of Conduct. Retaliation occurs when unfair consequences such as disciplinary actions or unfavorable pay or promotion decisions are made against an individual who has reported alleged violations of laws, rules, regulations, Harris Health's Code of Conduct, or Harris Health's policies and procedures. –Any workforce member who conducts or condones retaliation against another workforce member for reporting an actual or suspected violation of the Code of Conduct ~~is~~ will be subject to disciplinary action, up to and including termination. If you believe that you have been retaliated against, please report your concern using the reporting process explained above.

The Code

STEWARDSHIP

Protecting oOur ~~Patients'~~ patients' ~~Information~~ information and Harris Health's ~~Information~~ information and ~~Resources~~ resources to enable Harris Health to optimize its infrastructure, and protecting Harris Health' patients by creating an environment where zero patient harm is the expectation through the provision of safe and high-quality care.

- **Standard of Conduct: Safeguarding PHI**
  - **Our Commitment**
    - We are committed to safeguarding our patients' protected health information in accordance with state and federal privacy and security laws and regulations.
  - **Your Responsibilities**
    - To protect our patients' privacy by only using, ~~and~~ disclosing, or accessing ~~the~~ a patient's protected health information, including their electronic medical record, if it is necessary to do your job (for treatment, payment, or healthcare operations purposes, for example) and only using or disclosing the minimum amount of protected health information necessary to do your job.
    - To always obtain a patient's authorization to use or disclose their ~~patient's~~ protected health information if the use or disclosure is not for treatment, payment, or healthcare operations or unless the use or disclosure is otherwise permitted under state or federal privacy laws and regulations.
    - To be sensitive to your surroundings when you are sharing protected health information and to always speak in a low and quiet tone if you are not in a private area.
    - To always properly dispose of protected health information in the designated locked ~~blue~~ shred bins.
    - To ~~always~~ report any known or suspected ~~-~~impermissible or improper use, ~~or~~ disclosure of, access to protected health information to the Office of Corporate Compliance as soon as possible, but no later than 24 hours after discovering an actual or suspected impermissible or improper use, disclosure, or access. ~~-~~
    - To never share your passwords or credentials with anyone for any reason.
    - To maintain up-to-date knowledge of privacy and information security rules by completing Harris Health's annual privacy and information security education.
  - **FAQs**
    - **What is protected health information?**
    - Protected health information is ~~anything~~ information that identifies a patient or could be used to identify a patient **and** relates to that patient's healthcare in any way. Protected health information can be in any format, including paper, electronic, or oral. Examples include After-Visit Summaries, prescriptions, any information included in the patient's electronic medical record, and information discussed between healthcare providers.
    - **Can I disclose a patient's protected health information to a patient's family member(s) or friend(s)?**

Commented [dm2]: EILEEN: The edit on the line below relates to the landing page for The Code where you give the description for STEWARDSHIP

Commented [WCR3]: Insert link to education. Link to be provided.

- Yes; however, you may only disclose protected health information to a patient's family member(s) and/or friend(s) ~~so long as you only disclose protected health information~~ that is **directly relevant** to the patient's family member's or friend's involvement in the care of the patient and so long as the patient has agreed or has been given an opportunity to object and did not object. For more information regarding these disclosures, please see Harris Health Policy 3.11.203, *Use and Disclosure of Protected Health Information to Persons Involved in the Patient's Care and for Disaster Relief Purposes*. ~~.~~

- **Can I take a photograph of a patient or make a recording of a patient?**
- Yes, you may take a photograph of a patient or make a recording of a patient, *provided that*: (1) the patient's written authorization (use Harris Health form no.282758) is obtained **prior to** taking the photograph or making the recording; or (2) the photograph or recording is being taken and used for treatment purposes only and ~~the photograph or recording~~ is integral to the treatment of the patient; or (3) the photographer or recording is taken to be used for internal education purposes. For more information, please see Harris Health policy 3.11.310, *Making and Disclosing Photographic, Video, Electronic, Digital, or Audio Recordings of Patients*. ~~*(include hyperlink in microsite version) https://apps.hchd.local/sites/dcc/Policy/Policies/3.11.310%20Making%20and%20Disclosing%20Photographic,%20Video,%20Electronic,%20Digital,%20or%20Audio%20Recordings%20of%20Patients.pdf*~~

- **What should I do if I suspect that HIPAA has been violated?**
- Because the HIPAA privacy rule requires that Harris Health notify affected patients within sixty (60) calendar days of the discovery of a HIPAA breach, ~~Y~~you should report your suspicions as soon as possible but not later than 24 hours after discovery to the Office of Corporate Compliance for investigation ~~because the HIPAA privacy rule requires that Harris Health notify affected patients within sixty (60) calendar days of the discovery of a HIPAA breach~~. You may report HIPAA allegations either: (1) via email to CorporateCompliance@harrishealth.org; (2) through Harris Health's Electronic Incident Reporting System (eIRS); or (3) to the Corporate Compliance hotline at (8~~44~~00) 56~~5~~00-0621 or online ator use https://secure.ethicspoint.com/domain/media/en/gui/78122/index.html ~~333~~.

- **Policies to Know:**
  - Harris Health Policy 3.11.105, *Use and Disclosure of Protected Health Information for Treatment, Payment, and Health Care Operations*~~.~~
  - Harris Health Policy 3.11.104, *Sanctions for Failure to Comply with Privacy and Information Security Policies*.
  - Harris Health Policy 3.11.201, *Use and Disclosure of Protected Health Information for Facility Directories*~~.~~
  - Harris Health Policy 3.11.302, *Minimum Necessary Standard for Request, Use, or Disclosure of Protected Health Information*~~.~~
  - Harris Health Policy 3.11.306, *Permitted Use and Disclosure of Protected Health Information Without a Patient Authorization*~~.~~
    Harris Health Policy 3.11.310, *Making and Disclosing Photographic, Video, Electronic, Digital, or Audio Recordings of Patients*~~.~~

Commented [WCR4]: Insert Hyperlink to Policy in External Library

Commented [WCR5]: Insert Hyperlink to External LIbrary to Policy

Commented [dm6]: EILEEN: Please delete periods at the end of each policy in this list

Commented [WCR7]: Insert links to External Library

Commented [WCR8]: https://apps.hchd.local/sites/dcc/Policy/Policies/3.11.104%20Sanctions%20for%20Failure%20to%20Comply%20Policy.pdf

- **Standard of Conduct: Protection of Confidential Information Other Than PHI**
    - **Our Commitment**
        - We are committed to maintaining and protecting the confidentiality of proprietary and private information regarding our workforce members and operations.
    - **Your Responsibilities**
        - To protect confidential Harris Health information by only sharing that confidential information with persons who have a legitimate and lawful need to know.
        - To secure confidential information both physically and electronically.
        - To not alter or falsify information on any record or document.
        - To not knowingly communicate or transfer confidential information or documents to unauthorized persons and to take steps to mitigate against unknowingly transferring confidential information or documents to unauthorized persons.
        - To immediately notify your supervisor or the Office of Corporate Compliance if you believe that confidential information has been compromised, lost, or stolen.
    - **Examples of Confidential Information**
        - Workforce members' Social Security numbers
        - Workforce members' personal telephone number , address , email address , etc.
        - Financial information, such as credit card information, debit card information, bank account information, etc.
        - Driver's license numbers and license plate numbers
        - Certain vendor information such as bid information
        - Proprietary information such as proprietary computer software
    - **Policies to Know**
        - Harris Health Policy 8.03, *Records Retention and Destruction*
        - Harris Health Policy 8.03a, *Record Retention Schedule*
        - Harris Health Policy 6.37, *Acceptable Use of HCHD Internet and Email System*
- **Standard of Conduct: Protection of Harris Health Property and Assets**
    - **Our Commitment**
        - We are committed to protecting Harris Health's property and information against loss, theft, destruction, and/or misuse.
    - **Your Responsibilities**
        - To correctly use and care for all property and equipment entrusted to you whether you are using the equipment and property at a Harris Health facility or in your remote worksite while telecommuting. -

Commented [dm9]: Looks like there's a hard break here that shouldn't be

Commented [WCR10]: Insert LInks to External LIbrary

- To maintain, inventory, and keep all supplies secure and to not make unauthorized copies of computer software or use personal software on Harris Health's computers or equipment.
- To use Harris Health's computers, the email system, the internet, Harris Health's intranet, and other technology primarily for work-related purposes.
- To protect the confidentiality of your passwords ~~by not sharing your credentials~~.
- To protect against malicious programs being transmitted into Harris Health's electronic information systems by not downloading unapproved software, files, programs, and/or applications, and by not opening files attached to emails from unknown, suspicious, or untrustworthy sources and immediately reporting any suspected phishing attempt to Harris Health's Information Security department. Information Security may be contacted by emailing Information_Security@harrishealth.org.

- **FAQs**
  - **My department has several old calculators that are going to be replaced with a newer model of calculator. My child needs a calculator for his math class this year. Is it okay for me to take my old calculator home and give it to my child to use for his school work?**
  - No. It is never okay to take old Harris Health property for personal use. Taking Harris Health property for personal use constitutes theft.

  - **I received an email from Harris Health's Information Technology department asking me for my login user name and password so that the department can install updates to my workstation. Can I give the Information Technology department my login credentials?**
  - No. ~~No one from~~ Harris Health will never ask you for your login credentials or ~~will~~ need your login credentials. If you receive an email asking for your user name and password, please immediately forward it to Harris Health's Information Security department at infosec@harrishealth.org for investigation.

- **Policies to Know**
  - Harris Health Policy 3.11.803, *Information System User Responsibility*
  - Harris Health Policy 3.11.809, *Information Systems Password*
  - Harris Health Policy 6.37, *Acceptable Use of HCHD Internet and Email System.*

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- **Standard of Conduct: Protection of Harris Health Network and Electronic Data**

  - **Our Commitment**

    - We are committed to protecting and safeguarding Harris Health's electronic data, credit card data, and network from unauthorized access and/or use and other malicious activity, such as phishing.

  - **Your Responsibilities**

    - To never share your password or credentials with anyone for any reason. This includes sharing passwords or credentials with Harris Health's Information Security ~~department or Harris Health's~~ Information Technology departments.
    - To be vigilant in detecting possible phishing attempts and other cyber threats. This includes not clicking on links from unknown sources or senders.

- To ensure that sensitive information sent outside the organization is done using proper encryption methods.
- To ensure that any new products, software, or applications have been properly assessed by Harris Health's Information Security for potential risks prior to purchase and installation on ~~the~~ Harris Health's network.
- To report any suspicious cyber activity to ~~the~~ Harris Health's Information Security department immediately. This includes an unsolicited telephone call or email request asking for your password and/or username from anyone, including a Harris Health workforce member. You can report suspicious activity by email to the Information Security department at Infosec@harrishealth.org ~~(include hyperlink in microsite version)~~

- **Policies to Know**
  - Harris Health Policy 3.11.803, *Information System User Responsibility*
  - Harris Health Policy 3.11.804, *Information Security Risk Assessment*
  - Harris Health Policy 3.11.809, *Information Systems Password*
  - Harris Health Policy 6.37, *Acceptable Use of HCHD Internet and Email System*
  - Harris Health Policy 3.11.902, *Payment Card Industry Cardholder Data Handling*

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- **FAQs**
  - **What are the types of electronic data that Harris Health must protect?**
  - Electronic patient health information (ePHI), and electronic workforce member information, such as information stored in Peoplesoft and credit card data.
  - **I am really excited about a new software product that will help me do my job better, and it is very affordable. Can I purchase it and download it to the Harris Health network?**
  - Yes, BUT you **must first have a risk assessment** completed by Harris Health's Information Security department.

- **Standard of Conduct: Health and Safety**

  - **Our Commitment**
    - We are committed to promoting an environment that is safe, healthy, and secure for our workforce members, patients, and visitors by following all safety procedures and guidelines.

  - **Your Responsibilities**
    - To strictly adhere to Harris Health's Red Rules and to "stop the line" when noncompliance is observed with a Red Rule as outlined in Harris Health Policy 3466.01. **(Insert link to policy)**
    - To take all reasonable precautions and follow all applicable environmental, health, and safety requirements and rules.
    - To wear Personal Protective Equipment (PPE) whenever it is required.
    - To ensure that you are properly trained to use ~~any~~ the equipment you are required to use and that you are ~~or~~ properly trained to perform any procedure you are required to perform.

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- To promptly report any and all spills or accidents involving medical waste or hazardous materials, and to report any and all injuries to a workforce member, patient, or visitor. ~~To make a report, please click here: _____ (include hyperlink in microsite version)~~
- To wear your Harris Health ID Badge at all times and in the proper location.
- To never report to work while being impaired by medication (even prescribed medication) or alcohol.
- To follow Harris Health infection control policies and practices, including but not limited to, wearing a mask when appropriate and required and social distancing.

- **Policies to Know**

  - Harris Health Policy 7100, *Emergency Codes Conditions and Responses*
  - Harris Health Policy 3000, *Standard and Transmission Based Precautions*
  - Harris Health Policy 3003, *Personal Protective Equipment*
  - Harris Health Policy 6.27, *Workplace Violence*
  - Harris Health Policy 4201, *Management of Disruptive Patients and Visitors*
  - Harris Health Policy 3.66, *Weapons*
  - Harris Health Policy 3025, *Drug Free Workplace*

- **FAQs**

  - **I noticed an improper disposal of some medical waste. Because I am very busy at work, is it okay to wait until later to report what I saw to my supervisor?**
  - No. Safety is a top priority at Harris Health and a hazard such as the improper disposal of medical waste cannot be ignored. This hazard should be immediately reported the moment it is witnessed.

  - **I have a concealed handgun license. Is it okay for me to bring my gun into my office as long as I keep it in my purse?**
  - No. Workforce members are prohibited from possessing weapons on Harris Health premises, even if you have a license to carry the weapon. Please see **Harris Health policy 3.66, *Weapons*** for more information.

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INTEGRITY

High standards of business and professional ethics and honesty

- **Standard of Conduct: Conflicts of Interest**
    - **Our Commitment**
        - We are committed to acting in good faith in all aspects of our work and avoiding conflicts of interest that could result in undue outside influence or a desire for personal gain.
    - **Information to Know**
        - Harris Health defines a conflict of interest as any situation in which a workforce member has direct or indirect interests, including financial and personal interests, or business transactions or professional activities, that may compromise or appear to compromise: (1) the workforce member's business judgment; (2) the delivery of patient care; or (3) the workforce member's ability to do his or her job. In sum, a conflict of interest occurs when your non-Harris Health duties and/or responsibilities compromise or even appear to compromise your duties and/or responsibilities to Harris Health.
        - A conflict of interest could result from the following: (1) outside employment; (2) personal relationships; or (3) business opportunities.
    - **Your Responsibilities**
        - To not offer, accept, or provide gifts or favors, such as meals, transportation, or entertainment that might be ~~interpreted~~ viewed as a conflict of interest and that could violate Harris Health's Gifts policy.
        - To avoid situations resulting in improper personal gain or advantage ~~To avoid instances where the actions of an individual acting on behalf of or with Harris Health involve obtaining improper personal gain or advantage by the individual or a member of his or her family or have a potentially adverse effect on Harris Health's interests,~~ such as hiring and supervising a family member or awarding a bid to a friend's business.
        - To ~~maintain~~ keep~~professional~~ relationships with actual and potential vendors and contractors professional.
        - To not allow outside employment to conflict with your position and employment with Harris Health.
        - To not use Harris Health owned vehicles, equipment, materials, or other property for personal gain, convenience, or financial benefit.
        - To report any actual or perceived conflict of interest to the Office of Corporate Compliance.
    - **FAQs**
        - **I would like to do some part time work on the weekends to supplement my paycheck at Harris Health. The job has nothing to do with healthcare and would never interfere with my work schedule at Harris Health. Would this be a conflict?**

- This would probably not create a conflict of interest because it does not involve healthcare and because it would not interfere with your work schedule at Harris Health. However, before you accept the job, you should discuss it with your supervisor and you **must** disclose it ~~to~~to the Office of Corporate Compliance to make sure it does not create a conflict of interest.

- **I am a nurse and my best friend owns a company that provides home health services. Is it okay if I tell my Harris Health patients about his company and his services while I am treating my patients?**
- No, promoting your friend's company would create a conflict of interest. The promotion of your friend's company would compromise (or at least appear to compromise) your business judgment and the delivery of patient care to your patients because you could promote your friend's company over a better or more qualified ~~companies~~ company to the benefit of your friend and to the detriment of the patient.

- **Policies/Forms to Know**
  - Harris Health Policy 3.42, *Conflicts of Interest*
  - Harris Health *Conflict of Interest Disclosure* Form

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- **Standard of Conduct: Gifts**

  - **Our Commitment**

    - We are committed to not unduly influencing or being unduly influenced by giving or receiving gifts.

  - **Information to Know**

    - A gift is **anything of value** that may include but is not limited to monetary gifts, such as cash, checks, gift cards, securities, subsidies, or honoraria, or non-monetary gifts, such as meals, real property, personal property, goods, favors, memberships, or tickets.

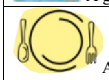
  - **Your Responsibilities**

    - To never solicit a gift from a patient, vendor, or fellow workforce member.
    - To ~~only~~ accept only the following types of gifts from patients: (1) perishable gifts, such as food and flowers~~,~~ that are shared with your department or unit; or (2) handmade gifts such as a knitted scarf or headband. You may only give patients gifts that have been approved by the Office of Corporate Compliance.
    - To only give and accept gifts from workforce members that do not compromise or appear to compromise your business judgment, the delivery of patient care, or the performance of your job duties.
    - To never accept cash or cash equivalent items from vendors. Workforce members may only accept a gift~~s~~, including a meal~~s~~, if it is valued at less than $50 from a vendor, and w~~W~~orkforce members ~~and~~ may not accept more than $250 worth of total gifts, including meals, from a vendor each year. ~~more than $250 worth of gifts per year from a vendor. However, w~~Workforce members **may not** accept a gift from a vendor ~~even if the gift is~~ valued at less than $50 if that gift compromises or appears to compromise the

workforce member's judgment, the delivery of patient care, or the performance of his or her job.

- Obtain prior approval from Harris Health's Office of Corporate Compliance before organizing engaging in a Harris Health campaign to provide gifts to patients and/or their families.

- **FAQs**

I received	May I accept?
 A gift card from a vendor for $20	No. You are prohibited from accepting cash or cash equivalents from a vendor.
 A free lunch from a vendor	Yes. You may accept a lunch from a vendor so long as the lunch is valued at less than $50 and so long as ~~long as~~ it does not compromise or appear to compromise your judgment, patient care, or the performance of your job. ~~BUT, you may not have lunches with one vendor that exceeds $250 in total.~~
 A tin of popcorn from a patient during the holidays	Yes, you may accept the popcorn as long as you share the popcorn with everyone in your department.
An offer to pay for travel and training expenses from a vendor in exchange for speaking at a conference	Maybe. If the vendor is already doing business with Harris Health and has necessary training or product upgrades to show you, then you must first obtain the approval of your Executive Vice President before accepting the vendor's travel proposal. Your Executive Vice President must consult with the Office of Corporate Compliance before approving the acceptance of this gift. If you are being asked to speak for payment at a location other than Houston and travel is involved, discuss the matter with the Office of Corporate Compliance.
Free tickets to a Houston Texans game from a vendor	No. Workforce members are prohibited from accepting tickets of any kind from a vendor. ~~, such as sports and entertainment events, from a vendor~~.
A picture frame from a co-worker on your birthday	Yes. Workforce members may accept modest gifts from other workforce members so long as the gift does compromise or appear to compromise the workforce member's judgment, the delivery of patient care, or the performance of his or her job duties.

- **Policies to know**

  - Harris Health Policy, *3.61 Gifts*

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- **Standard of Conduct: Compliance with Laws**

  - **Our Commitment**

- We are committed to high standards of business and professional ethics and integrity. We will provide patient care and conduct business while following all applicable federal, state, and local laws and regulations.

- **Your Responsibilities**

  - To promptly report to your supervisors or to the Office of Corporate Compliance any actual or suspected violation of a law, regulation, or a Harris Health policy.
  - To bill payors and patients in accordance with the Federal False Claims Act and the Texas Medicaid Fraud Prevention Act.
  - To never offer, provide, solicit, or receive kickbacks, bribes, rebates, or anything else of value in order to influence the referral of patients or services payable by a government healthcare program in violation of the Anti-Kickback Statute. For more information, please see Harris Health Ppolicy -3.31, *Preventing and Reporting Fraud, Abuse, and Wrongdoing.*
  - To neither hire nor contract with individuals who have been sanctioned by the Office of the Inspector General of the U.S. Department of Health and Human Services (OIG) or barred from participating in federal and/or state procurement programs.
  - To accept patients based on the patient's clinical needs and our capacity to render those services and to always comply with the requirements of the Emergency Medical Treatment and Active Labor Act (EMTALA) when individuals seek emergency treatment by ensuring that all patients who present to a Harris Health emergency center receive a medical screening exam and have his or her emergency medical condition (if one exists) stabilized or coordinating the transfer of the patient.
  - To ensure and validate that all workforce members who ~~are providers of~~provide patient care are properly licensed and trained ~~prior to administering patient care~~.
  - To ensure that confidential information, including protected health information, is only used and disclosed in accordance with the law.

- **FAQs**

  - **My director and administrative director have told me and my coworkers that we should not contact the Office of Corporate Compliance when we discover non-compliant behavior or inappropriate practices. Instead, we were told that we should contact one of them *and only* them. Is this okay?**
  - Absolutely not. While it certainly is okay for you to discuss non-compliant behavior or inappropriate practices with your supervisors, you should also always report that behavior to the Office of Corporate Compliance, unless your supervisor is reporting the issue himself or herself.

  - **If a patient is seeking treatment in a Harris Health's Emergency Center but is being disruptive. May Harris Health ask the patient to leave the premises?**
  - Harris Health may ask a disruptive patient to leave an Emergency Center ONLY AFTER the patient has had a medical screening exam completed by a QMP and it has been determined that the patient does not have an emergency medical condition. In almost all cases, it is never appropriate to ask a patient to leave an emergency center prior to receiving a medical screening exam.

- **Policies to Know**

- Harris Health Policy *3.31 Preventing Fraud, Abuse, and Wrongdoing*
- Harris Health Policy *3.58, Non-Retaliation for Reporting Fraud, Abuse, and Wrongdoing*
- Harris Health Policy 3.56, *EMTALA Screening, Stabilization, and Transfer*
- Harris Health Policy 3.35, *Sanction Screening for Ineligible Persons*

RESPECT

Recognizing the value of all individuals and treating all individuals with kindness, and enhancing the patient, staff, and provider experience by actively listening to feedback and developing a culture of respect, recognition, and trust.

- **Standard of Conduct - Protecting Patient's Rights**

  - **Our Commitment**

    - Harris Health is committed to respecting the dignity and rights of all our patients.

  - **Your Responsibilities**
    - To acknowledge and adhere to Harris Health's Patient Rights and Responsibilities.
    - To ~~attentively~~ listen attentively to patients and their family members and to respond to all questions, concerns, and needs in a timely and compassionate manner.
    - To provide the same level of care and service to all patients regardless of race, color, national origin, disability, sex, age, or other legally protected status.
    - To share important information about ~~the~~ a patient's care in ~~the~~ a patient's or ~~the~~ a patient's family members' preferred language, and in a clear, professional, and understandable manner.
    - To respect patient decisions regarding his or her care, including the consent for treatment or the decision to change or withdraw treatment.
    - To use restraints in accordance with the law and always remove restraints at the earliest possible time. For further guidance on the use of restraints, please see Harris Health Policy and Procedure 7.02, Restraints and Seclusion, which can be found here: https://apps.hchd.local/sites/dcc/Policy/Policies/7.02%20Restraint%20and%20Seclusion.pdf

  - **FAQs**

    A patient who does not speak English requests that her 13-year old daughter interpret for her while the patient's physician explains the patient's diagnosis. Can the daughter interpret for the patient?
    No. Harris Health policy 3.52 provides that you should never rely on a minor child or another family member to interpret on behalf of a patient, *except in emergency circumstances when a qualified interpreter is not available.* However, Harris Health does permit family members to be present to assist the patient in understanding ~~the~~ information communicated to the patient through ~~the~~ a qualified interpreter.

    I speak fluent Spanish but I have not been qualified as a bilingual workforce member. Is it okay for me to speak to my patients in Spanish or to interpret for my coworkers?
    No. Only workforce members who have been qualified as a bilingual workforce member~~s~~ may speak directly to his or her patients in a language other than English. Further, only qualified Harris Health interpreters may interpret for a

patient who does not speak English. Qualified bilingual workforce members **may not interpret.**

- **Policies to know**
  - Harris Health's Patient Rights & Responsibilities
  - Harris Health Policy 3.52, *Non-Discrimination in Access to Services, Programs, and Facilities*
  - Harris Health Policy 4215, *Consent for Medical Treatment and Identification of a Surrogate Decision-Maker*
  - Harris Health Policy 4128, *Advance Directives*
  - Harris Health Policy 7.02, *Restraints and Seclusion*
  - Harris Health Policy 7.07.02, *Inpatient Do-Not-Resuscitate Orders*
  - Harris Health Policy 7.07, *End of Life Care Decision*
  - Harris Health Policy 4605, *Patient Visitor Policy*

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- **Standard of Conduct: Human Resources**
  - **Our Commitment**
    - Harris Health is committed to maintaining a just and accountable culture and creating a workplace where workforce members are treated with respect and fairness and where workforce members' unique contributions are appreciated. Harris Health will strive to create an environment where workforce members are empowered to do their job and provide the best care possible to our patients.
  - **Your Responsibilities**
    - To treat your fellow workforce members with fairness, consistency, dignity, and respect regardless of the workforce member's status or position and ~~to strive~~ to foster confidence and professionalism in your fellow workforce members.
    - To promote a work environment that is free from harassment of any kind and to report any intimidating or disruptive behavior you experience or witness. Insert link to information/policy on how to report it.
    - To not engage in disruptive behavior in violation of and defined in Harris Health policy 6.39, *Conflict Resolution in the Workplace*.
    - To use social media responsibly, professionally, and in a manner that complies with Harris Health policy 3.50, *Social Media.*
  - **Harris Health's Responsibilities**
    - To provide a Just and Accountable Culture by using a consistent, fair, and systematic approach to managing behaviors. Harris Health will ~~that~~ facilitate a culture that balances a non-punitive learning environment with the equally important need to hold persons accountable for their actions, including in accordance with Harris Health Policy 3466.01, *Red Rules*.
    - To provide equal employment opportunities and ensure that Harris Health workforce members are hired, trained, promoted, and compensated based on personal competence and potential for advancement, and to review and evaluate each workforce member's performance periodically in an objective, consistent, and uniform manner.

- To make employment decisions without regard to a workforce member's race, color, sex, national origin, age, religion, marital status, disability, ethnicity, familial status, military status, sexual orientation, genetic information, gender identity, or pregnancy as well as any other classifications as required by law. Further, Harris Health will take steps to promote and embrace Diversity, Equity, and Inclusion in all of its activities. The mission, vision and goals of Harris Health's Diversity, Equity, and Inclusion program are:
  - **Mission**: To foster an inclusive environment that supports and nurtures the talents, skills, and abilities of each individual; encourages curiosity and empathy; and ensures world-class delivery of care marked by equity and respect.
  - **Vision**: To celebrate the uniqueness of all individuals through acceptance, inclusion, continued learning, and respect. The Diversity, Equity & Inclusion initiatives will honor the contributions of every employee, patient, and community member to our shared success.
  - **Goal:** To foster a culture of compassion, trust, integrity, equity, and respect that continues to ensure that our patients, staff, and partners feel welcomed, understood, and valued at Harris Health, and to leveraging industry-leading technology and analytics to ensure measurable progress in this goal.
- To promptly and thoroughly investigate all claims of harassment, of any kind, or any other behavior that creates a hostile work environment for Harris Health's workforce members.
- To comply with all applicable federal and state laws regulating the payment of wages.

- **Policies to Know**
  - Harris Health Policy 6.08, *Grievance Procedure*
  - Harris Health Policy 6.19, *Non-Discrimination*
  - Harris Health Policy 6.36, *Sexual Harassment*
  - Harris Health Policy 6.39, *Conflict Resolution in the Workplace*
  - Harris Health Policy 6.44, *Reasonable Accommodation*
  - Harris Health Policy 6.27, *Workplace Violence*

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- **Additional Information:**
  - **The Recruit: https://www.youtube.com/watch?v=4IqGABVz0dE&t=3s**
  - **Information on Harris Health's Diversity, Equity, and Inclusion Program:** https://sp2013.hchd.local/hr/DEI/Pages/DEI.aspx

- **FAQs**
  - **My supervisor frequently makes comments about the way I dress. He says he likes the way I dress because my clothes show off my body and that I have a good body. This makes me feel uncomfortable. Is this sexual harassment? ~~always hugs me at the end of the day and tells me how much she values me as a workforce member. I think my supervisor is just being friendly, but I do not like it when she hugs me. What can I do?~~**
  - Comments of a sexual nature *can be* considered sexual harassment. ~~Any physical contact of a sexual nature, including touching, patting, hugging, or brushing against a person's body could be considered sexual harassment.~~ Workforce members can either (1) discuss the unwanted or unwelcomed remarks ~~physical~~

~~contact~~ with the individual involved, if they feel comfortable; (2) contact Human Resources; or (3) contact the Office of Corporate Compliance.

- **I received my performance evaluation score and I do not agree with it. Is there anything I can do?**
  Yes, ~~as a~~if you are an eligible Harris Health workforce member, you are permitted to grieve your performance evaluation score pursuant to Harris Health policy 6.08. For more information regarding who qualifies as an eligible workforce member, see Harris Health policy 6.08.

ACCOUNTABILITY

Taking responsibility for the patients we serve and the services we provide in becoming a high-reliability organization with zero patient harm and acting as one system in our approach and management to health care.

- **Standard of Conduct - Quality Care and Zero Harm**
  - **Our Commitment**
    - Harris Health is committed to being a High Reliability Organization with quality and patient safety being a core value and where zero patient harm is the expectation by providing quality care and services ~~providing its workforce members with a Just and Accountable Culture to reinforce Harris Health's commitment to provide quality care and services~~ to the patients we serve. To that end, Harris Health will continually monitor the delivery of care and related services to assure that appropriate standards of practice are met and to ensure that it employs appropriately licensed and credentialed healthcare providers to care for our patients.
  - **Your Responsibilities**
    - To take responsibility for the patients you treat and provide care and services that are based on current standards of practice and the most current knowledge.
    - To follow quality improvement protocols and participate in performance improvement and patient safety activities.
    - To actively focus on patient safety and empower coworkers to focus on patient safety and quality of care, including an intense focus on proper patient identification and time-out.
    - To only provide the care that you are licensed or credentialed to provide and that you have been trained to provide.
    - ~~To follow quality improvement protocols and participate in performance improvement and patient safety activities.~~

- **FAQs**

  - **I forgot to use two patient identifiers when giving a patient a medication and ~~this~~ it resulted in the patient getting another patient's medication instead of their own. The patient brought it back to me before he took any of the medication. Do I need to report this incident even though nothing bad happened as a result of my error?**
  - Yes. Failing to use two patient identifiers to properly identify a patient is an at-risk behavior. An ~~A~~at-risk behavior is defined as a behavioral choice where the risk is not recognized or is mistakenly believed to be justified. Pursuant to Harris Health Policy 3466, *Just and Accountable Culture*, ~~-~~and Harris Health Policy 3466.01, *Red Rules,* all safety events, including near misses such as the one described, must be reported. Failure to report a safety event will result in disciplinary action up to and including termination. Further, employees who commit a Red Rule violation are also potentially subject to disciplinary action under Harris Health's Just and Accountable Culture algorithm.

- **Policies to Know:**
  - Harris Health Policy 3466, *Just and Accountable Culture*
  - Harris Health Policy 3466.01, *Red Rules*
  - Harris Health Policy 3.63, *Incident Reporting policy*
  - Harris Health Policy 7.11, *Patient Identification*

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- **Standard of Conduct: Billing and Coding**

  - **Our Commitment**

    - Harris Health recognizes that accurate documentation, coding, and billing is a critical component to providing quality healthcare and obtaining proper reimbursement. Therefore, Harris Health is committed to timely ~~and accurate~~ billing and coding that accurately reflects the services ordered and performed and is in accordance with all federal and state laws and regulations.

  - **Information to Know**

    - It is a violation of the Federal False Claims Act and the Texas Medicaid Fraud Prevention Act to knowingly submit claims for payment with false or untrue information. Both the federal and state false claims acts include provisions to protect whistleblowers from retaliation for reporting. Harris Health also protects whistleblowers from retaliation for reporting false claims. For more information see the following Harris Health policies:
      - Harris Health policy 3.31 *Preventing and Reporting Fraud, Abuse, and Wrongdoing*
      - *https://apps.hchd.local/sites/dcc/Policy/Policies/3%2031%20Preventing%20Fraud%20Abuse%20and%20Wrongdoing.pdf*
      - Harris Health policy 3.58, *Non-Retaliation for Reporting Fraud, Abuse, and Wrongdoing*~~-~~

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  - **Your Responsibilities**

- To document accurate, timely, and complete patient information regarding the services that were provided as part of a patient's care and treatment.
- To only bill for ~~those~~ services or items that are medically necessary and that are documented in a patient's medical record. Harris Health will not knowingly submit for payment or reimbursement a claim that is false, fraudulent, or fictitious.
- To ~~only~~ waive co-payments and deductibles in accordance with applicable laws, regulations, and Harris Health policies.
- To respond to all questions and complaints regarding a patient's bill in a timely, direct, and honest manner.

- **FAQs**

  - **A co-worker, who has responsibility to review and resolve billing edits, has mentioned that she applies certain modifiers because she knows that if she doesn't, the hospital will not get paid. Should I let someone know?**
  - Yes, you should contact the Office of Corporate Compliance to report this situation. If medical documentation does not support the addition of the modifier, Harris Health may need to repay all payments with the modifier that it had previously received.

  - **Some of my family members are patients at the Harris Health clinic where I work. I would like to give them a "friends and family" discount and not require them to pay any co-pay or deductible and just accept whatever their insurance company will pay. Am I allowed to do this?**
  - No. Medicare regulations expressly prohibit covered entities from waiving copayments or deductibles for any patient unless the patient meets certain indigent requirements.

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HARRIS HEALTH SYSTEM

The Harris Health System Code of Conduct protects us all. Thank you for doing your part to honor it.

Thursday, February 23, 2023

Consideration of Approval of a Ratification of a Grant Award Renewal from the United States Department of Health Resources and Services Administration (HRSA) to the Harris County Hospital District d/b/a Harris Health System Funded by Part C of the Ryan White HIV/AIDS Treatment Extension Act of 2009 to Provide Early Intervention Primary Medical Care to HIV Positive Patients of Harris Health System.

This renewal of the grant award from the United States Department of Health Resources and Services Administration (HRSA) to the Harris County Hospital District d/b/a Harris Health System is funded by Part C of the Ryan White HIV/AIDS Treatment Extension Act of 2009 to provide early intervention primary medical care to HIV positive patients of Harris Health System.

- The grant award funds services provided at Thomas Street and Northwest Health Centers.
- The amount of this award is $427,645.
- The term of this award is January 1, 2023 through December 31, 2023.

Administration recommends approval to Ratify this Grant Award Renewal from the United States Department of Health Resources and Services Administration (HRSA) to the Harris County Hospital District d/b/a Harris Health System funded by Part C of the Ryan White HIV/AIDS Treatment Extension Act to provide early intervention primary medical care to HIV positive patients at Harris Health System. The amount of this grant award is $427,645 for the term of January 1, 2023 through December 31, 2023.

Thank you.

Thursday, February 23, 2023

Consideration to Approve a Grant Agreement between Harris Health System and the Harris County Hospital District Foundation, Through a Grant from Gilead Sciences Inc., benefiting Harris Health System's Promoting Equity in Breast Cancer Care Through Navigation and Education in Harris County Texas Program.

The Harris County Hospital District Foundation, through a donation from Gilead Sciences Inc., authorizes a grant in the amount of $350,000.00 to promote Equity in Breast Cancer Care through Navigation and Education in Harris County Texas by the Harris Health System Oncology Team.

The grants funds will be split as follows:

1. $218,150.00 will be granted by the HCHD Foundation to Harris Health system to be used to hire two FTE patient staff navigators and technology and education materials; and
2. $131,850.00 will be managed by the HCHD Foundation to pay the transportation companies directly for the transportation services to support the Harris Health patients in the Harris Health Program.

The program will support up to Harris Health 125 patients through their full treatment program.

Harris Health Administration requests approval to enter into a Grant Agreement between Harris Health System and the Harris County Hospital District Foundation regarding the $350,000.00 grant from Gilead Sciences Inc.

Exhibit A

Fund Amount:	$350,000.00
Fund Name:	Promoting Equity in Breast Cancer Care Through Navigation and Education in Harris County Texas
Terms:	18 months from Gilead Grant funding (estimated from 3/1/23 through August 31/2024)
Contract Monitor:	Victoria Pavon, Director, Ambulatory Nursing
Grant Purpose:	Funds received from Gilead Sciences Inc. will be split as follows:

1. $218,150.00 will be granted by the HCHD Foundation to Harris Health system to be used to hire two FTE patient staff navigators and technology and education materials; and
2. $131,850.00 will be managed by the HCHD Foundation to pay the transportation companies directly for the transportation services to support the Harris Health patients in the Harris Health Program.

The program will support up to Harris Health 125 patients through their full treatment program.

Grant Agenda Items for the Harris County Hospital District dba Harris Health System, Board of Trustees Report
Grant Agreement Summary: February 23, 2023

No.	Grantor	Description/Justification	Action, Basis of Recommendation	Term	Project Owner	Award Amount
C1	United States Department of Health Resources and Services Administration (HRSA)	Consideration of Approval of a Ratification of a Grant Award Renewal from the United States Department of Health Resources and Services Administration (HRSA) to the Harris County Hospital District d/b/a Harris Health System Funded by Part C of the Ryan White HIV/AIDS Treatment Extension Act of 2009 to Provide Early Intervention Primary Medical Care to HIV Positive Patients of Harris Health System at Thomas Street and Nowthwest Health Centers.	**Ratification**	January 1, 2023 through December 31, 2023	Dr. Jennifer Small	$ 427,645.00
C2	Harris County Hospital District Foundation	Consideration of Approval of a Grant Agreement between the Harris County Hospital District Foundation and the Harris Health System, through a Grant from Gilead Sciences Inc., benefiting Harris Health System's Promoting Equity in Breast Cancer Care through Navigation and Education in Harris County Texas Program. <u>Allocation:</u> 2 FTE Patient Navigators, Technology and Education Materials: $218,150.00 Transportation Services: $131,850.00	**Grant Agreement**	March 1, 2023 through August 31, 2024	Mr. Jeffrey Baker	$ 350,000.00
					TOTAL AMOUNT:	**$ 777,645.00**

Thursday, February 23, 2023

Consideration of Acceptance of the Harris Health System First Quarter Fiscal Year 2023 Investment Report

Attached for your review and acceptance is the First Quarter Fiscal Year 2023 Investment Report for the period October to December 2022.

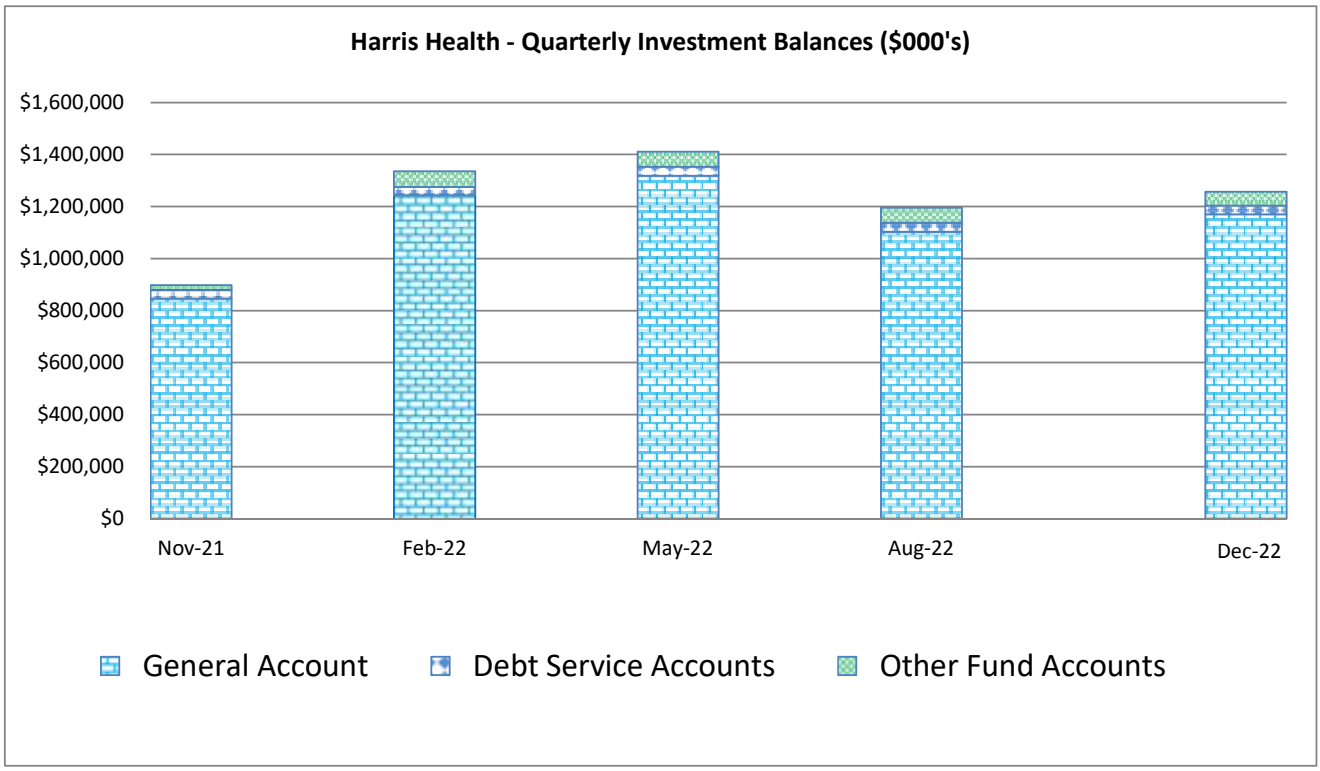
Administration recommends that the Board accept the First Quarter Investment Report for the period ended December 31, 2022.

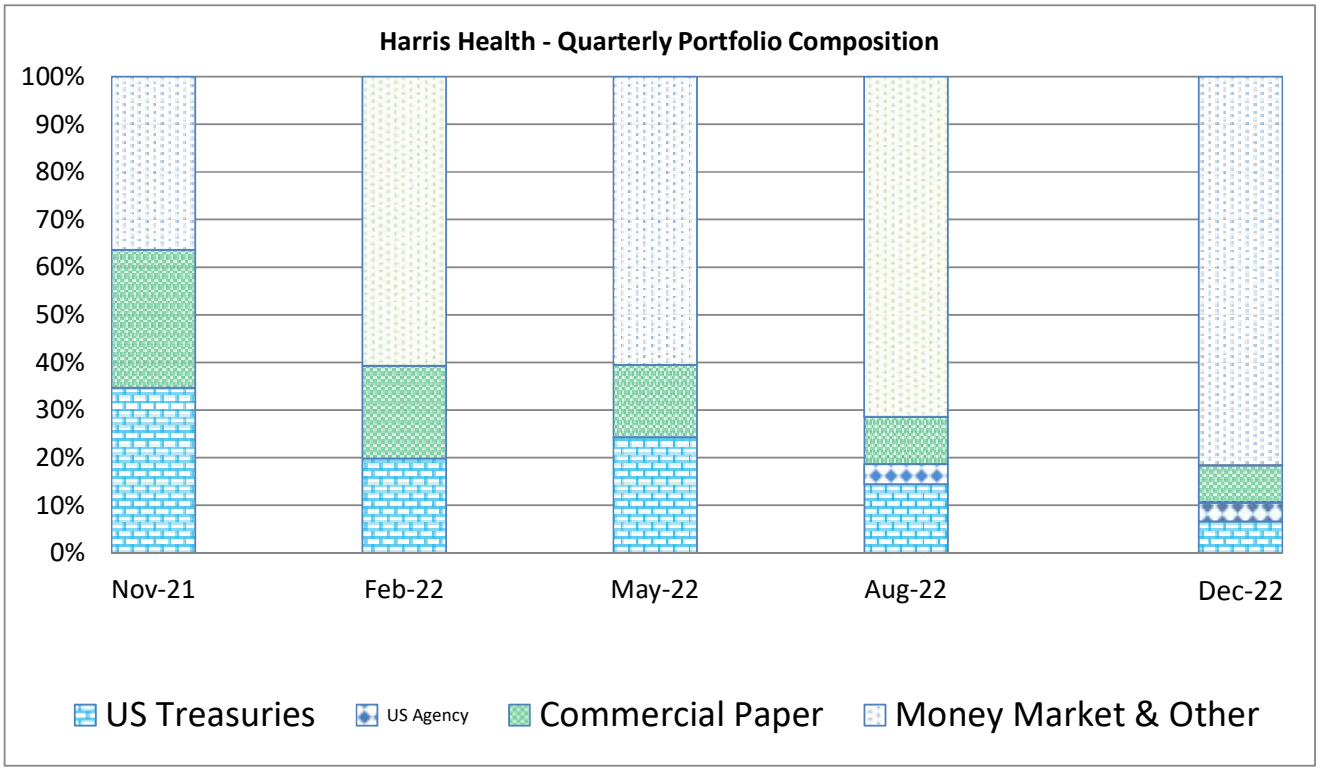
HARRIS COUNTY HOSPITAL DISTRICT
dba HARRIS HEALTH SYSTEM

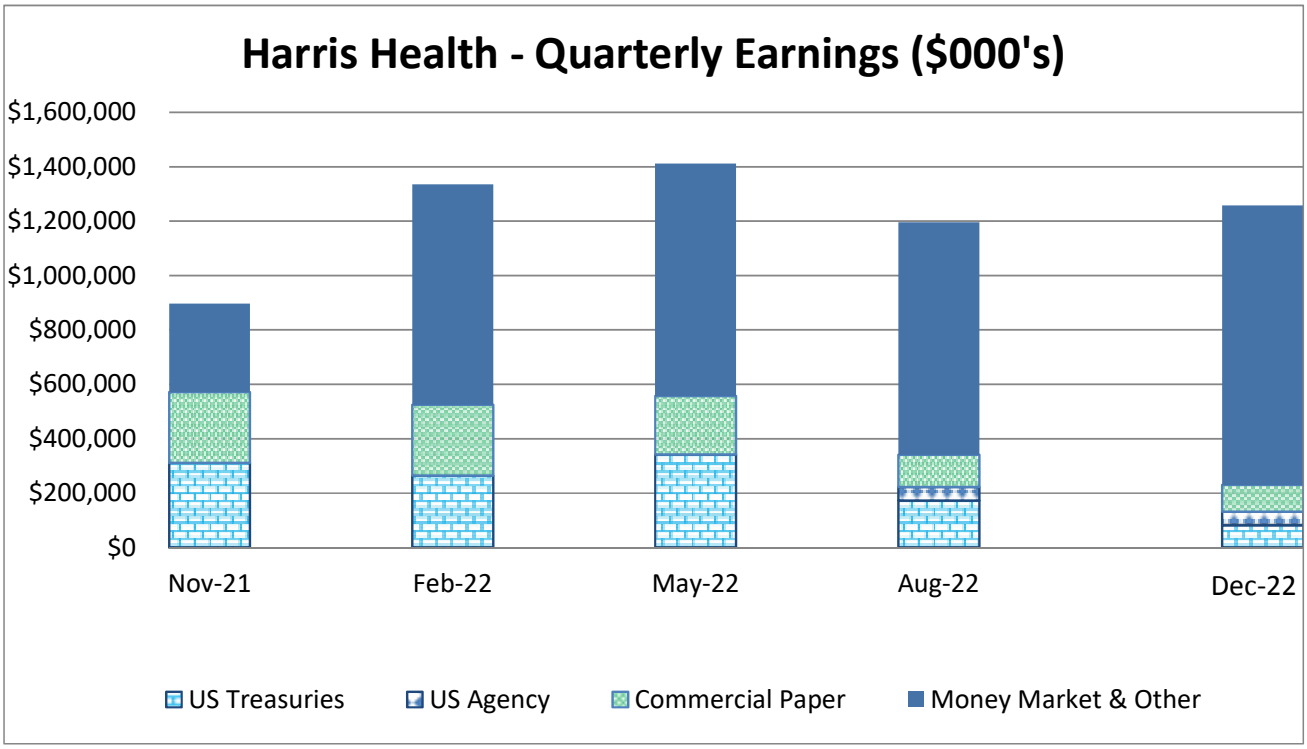
INVESTMENT REPORT
As of December 31, 2022

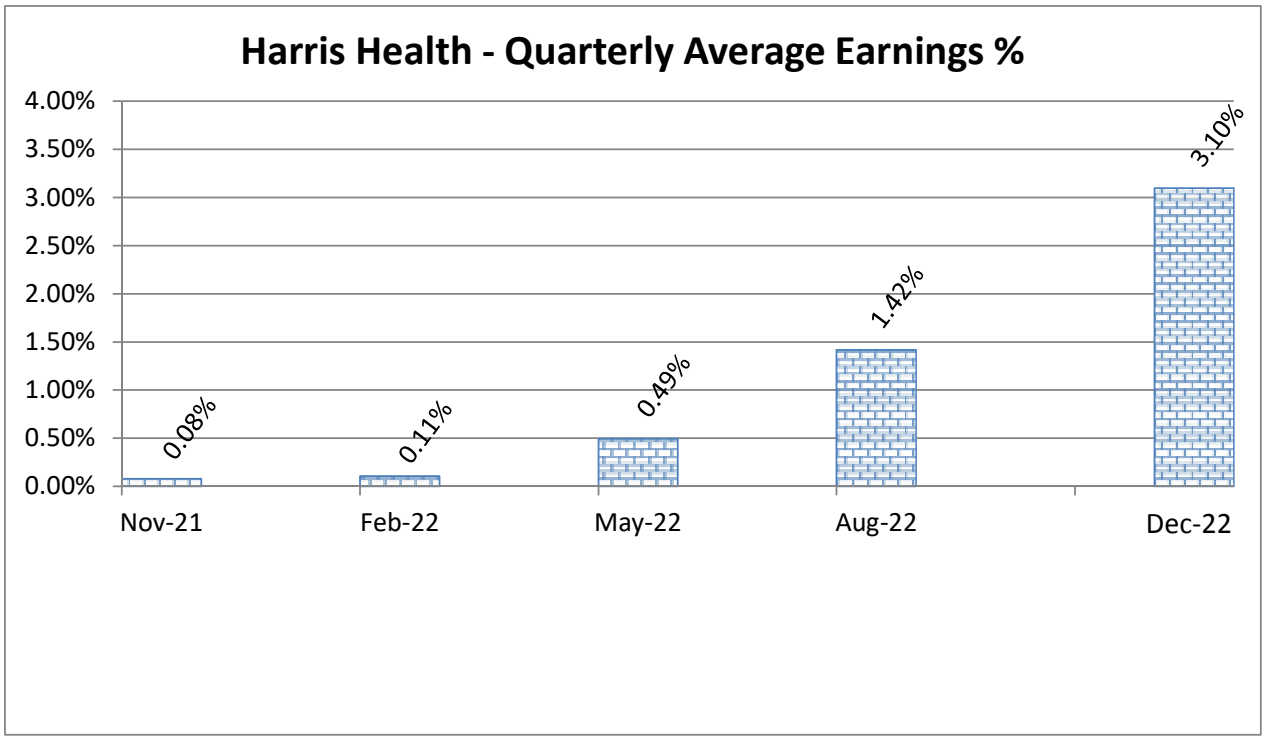
- Executive Summary Charts and Quarterly Trend Schedule for Harris Health System

- Quarter End Investment Report from Harris County Office of Financial Management


Harris Health - Quarterly Investment Balances ($000's)
$1,600,000
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
Nov-21
Feb-22
May-22
Aug-22
Dec-22
General Account
Debt Service Accounts
Other Fund Accounts


Harris Health - Quarterly Portfolio Composition
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Nov-21
Feb-22
May-22
Aug-22
Dec-22
US Treasuries
US Agency
Commercial Paper
Money Market & Other


Harris Health - Quarterly Earnings ($000's)
$1,600,000
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$0
Nov-21
Feb-22
May-22
Aug-22
Dec-22
US Treasuries
US Agency
Commercial Paper
Money Market & Other


Harris Health - Quarterly Average Earnings %
4.00%
3.50%
3.00%
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
0.08%
0.11%
0.49%
1.42%
3.10%
Nov-21
Feb-22
May-22
Aug-22
Dec-22

HARRIS HEALTH SYSTEM

QUARTERLY INVESTMENT REPORT
FIRST QUARTER 2022-2023

PREPARED BY:
OFFICE OF MANAGEMENT AND BUDGET
FINANCIAL MANAGEMENT

The report is presented in accordance with the Texas Government Code - Public Funds Investment Act, Section 2256.023. Financial Management certifies that to the best of our knowledge that Harris Health System is in compliance with the provisions of Government Code 2256 and with the stated policies and strategies of Harris Health System.

Amy Perez	Diana Elizondo	Mark LaRue
Deputy Executive Director, OMB	Investment Manager	Financial Analyst

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Summary of Portfolio Balances & Characteristics

September 30, 2022 through December 31, 2022

HARRISHEALTH SYSTEM

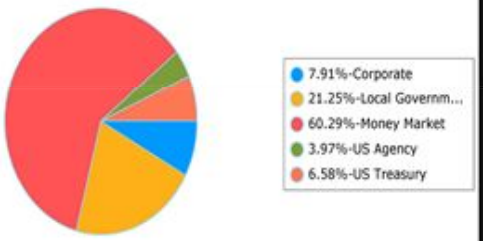
Book & Market Value Comparison

Month	Market Value	Book Value	Unrealized Gain/Loss	YTM @ Cost	YTM @ Market	Duration	Days To Maturity
Beginning	918,330,320.65	919,035,794.78	-705,474.13	1.97	2.17	0.13	41
10/31/2022	1,390,689,585.81	1,391,601,126.83	-911,541.02	3.01	3.19	0.08	25
11/30/2022	1,314,869,285.29	1,315,626,191.90	-756,906.61	3.65	3.83	0.07	20
12/31/2022	1,256,572,180.66	1,258,369,106.78	-1,796,926.12	3.85	5.02	0.05	15
Average	**1,320,710,350.59**	**1,321,865,475.17**	**-1,155,124.58**	**3.50**	**4.01**	**0.07**	**20**

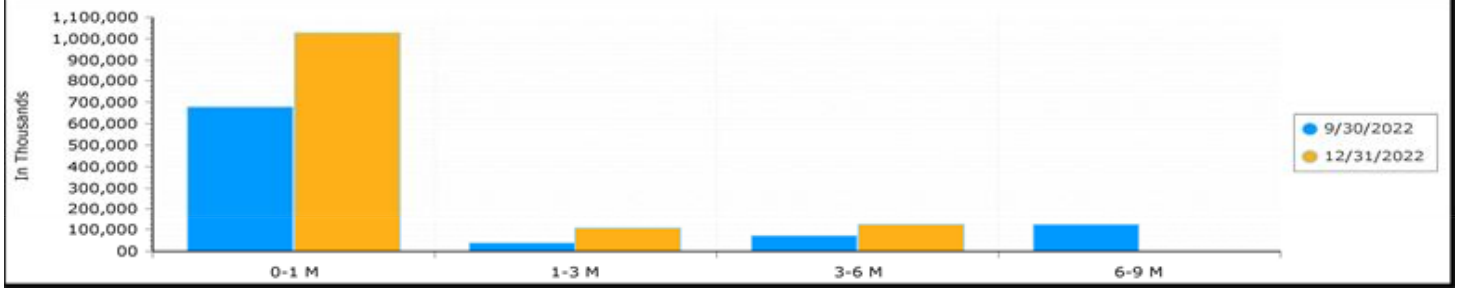
Quarterly Investment Income By Sector

	Ending BV + Accrued Interest	Investment Income-BV
Certificate of Deposit	$0.00	$0.00
Corporate	$99,494,243.06	$855,472.22
Local Government Investment Pool	$267,453,898.01	$2,560,621.39
Money Market	$758,642,437.05	$4,970,819.13
Municipal	$0.00	$0.00
US Agency	$50,541,666.66	$406,250.00
US Treasury	$82,915,441.64	$773,904.39
Total	**$1,259,047,686.42**	**$9,567,067.13**

Portfolio Distribution by Sector



Distribution By Maturity Range

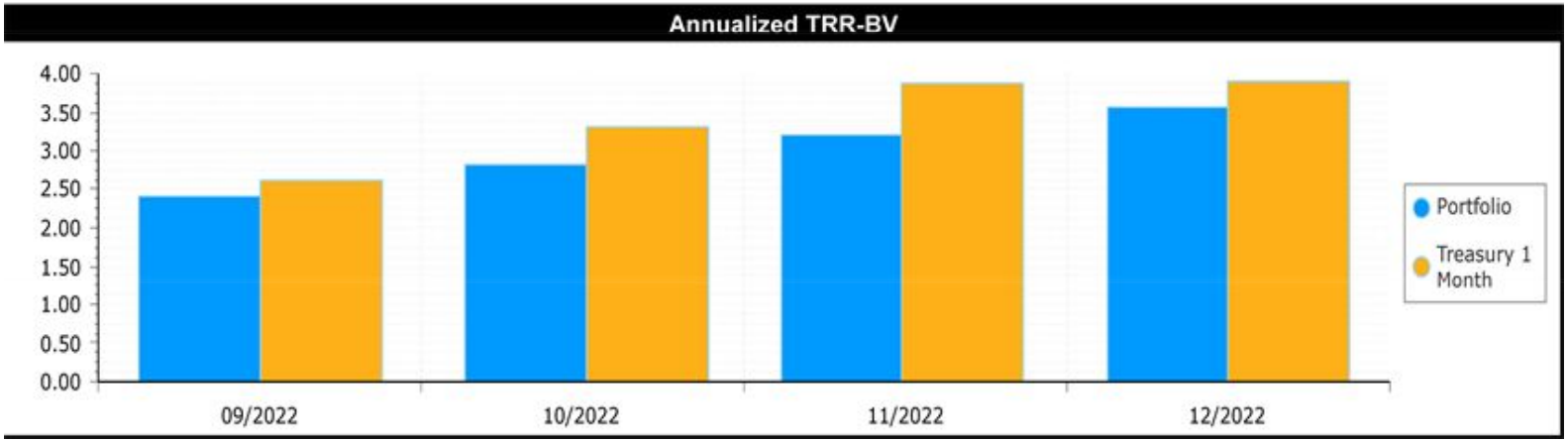


Total Rate of Return vs. Benchmark 1 Month Treasury

September 30, 2022 through December 31, 2022

HARRISHEALTH SYSTEM

Month	Beginning BV + Accrued Interest	Interest Earned During Period-BV	Realized Gain/Loss-BV	Investment Income-BV	Average Capital Base-BV	TRR-BV	Annualized TRR-BV	Treasury 1 Month
Beginning	1,195,683,780.33				1,145,388,906.90	0.20	2.40	2.61
10/31/2022	919,509,017.14	2,102,890.75	0.00	2,102,890.75	904,658,681.46	0.23	2.83	3.32
11/30/2022	1,391,871,960.17	3,605,442.96	0.00	3,605,442.96	1,372,955,205.93	0.26	3.20	3.87
12/31/2022	1,316,099,776.16	3,858,733.42	0.00	3,858,733.42	1,319,340,190.82	0.29	3.57	3.90
Total/Average	**1,209,160,251.16**	**9,567,067.13**	**0.00**	**9,567,067.13**	**1,198,984,692.74**	**0.78**	**3.20**	**3.70**



HARRISHEALTH SYSTEM

Summary of Current Portfolio Holdings & Quarterly Earnings

Begin Date: 9/30/2022, End Date: 12/31/2022

Description	CUSIP/Ticker	Ending Face Amount/Shares	Beginning MV	Ending MV	Ending BV	Investment Income-BV	Ending YTM @ Cost	Maturity Date
H9902 Hospital - General Fund								
H9902 Hospital - Unrestricted Donations DDA MM	D1359	7,303.05	7,089.38	7,303.05	7,303.05	10.59	3.750	N/A
H9902 Hospital - Cadence General Funds DDA MM	D3837	756,441,942.53	357,597,008.76	756,441,942.53	756,441,942.53	4,035,528.13	3.750	N/A
LoneStar Gov | H9902 LGIP	LONESTARGH9902	0.00	209.28	0.00	0.00	0.05		N/A
LoneStar | H9902 LGIP	LONESTARH9902	119,054,302.59	117,907,738.57	119,054,302.59	119,054,302.59	1,146,354.69	4.482	N/A
H9902 Hospital - Cadence General Funds MMF MM	M3837	0.00	0.00	0.00	0.00	862,675.96		N/A
H9902 Hospital - HRA Sweep MMF MM	M3845	73,901.69	120,156.45	73,901.69	73,901.69	776.63	4.100	N/A
H9902 Hospital - Cigna Health Benefits MMF MM	M3944	0.00	3,929,916.63	0.00	0.00	24,442.28		N/A
H9902 Hospital - FSA Plan MMF MM	M3951	997,991.79	601,178.06	997,991.79	997,991.79	6,734.53	4.100	N/A
H9902 Hospital - Donations Sweep MM	M5899	162,654.82	123,463.37	162,654.82	162,654.82	1,199.54	4.100	N/A
TexasCLASS | H9902 LGIP	TXCLASSH9902	95,589,328.34	94,678,350.05	95,589,328.34	95,589,328.34	910,978.29	4.521	N/A
T-Bill 0 10/6/2022	912796M89	0.00	19,996,100.00	0.00	0.00	2,004.17		10/6/2022
T-Bill 0 11/17/2022	912796W62	0.00	39,858,840.00	0.00	0.00	96,000.00		11/17/2022
MUFG BK CP 0 1/31/2023	62478YNX2	35,000,000.00	34,539,575.00	34,481,076.35	34,908,076.39	272,805.55	3.092	1/31/2023
SANTANDER BK UK DISC CP 0 1/31/2023	80285QNX4	40,000,000.00	39,454,800.00	39,409,666.80	39,881,166.67	352,666.67	3.502	1/31/2023
FHLB 3.25 4/20/2023-22	3130AT4Y0	50,000,000.00	49,867,950.00	49,881,000.00	50,000,000.00	406,250.00	3.250	4/20/2023
MUFG BK CP 0 4/28/2023	62479MRU9	25,000,000.00	24,354,375.00	24,395,000.00	24,705,000.00	230,000.00	3.689	4/28/2023
T-Note 1.625 4/30/2023	912828R28	50,000,000.00	49,310,550.00	49,536,000.00	49,743,441.36	402,052.24	3.206	4/30/2023
Sub Total/Average H9902 Hospital - General Fund		**1,172,327,424.81**	**832,347,300.55**	**1,170,030,167.96**	**1,171,565,109.23**	**8,750,479.32**	**3.814**	
H9906 Hospital - SPFC								
H9906 Hospital - SPFC Money Market MM	M3936	51,024.72	45,651.81	51,024.72	51,024.72	420.25	4.100	N/A
TexasCLASS | H9906 LGIP	TXCLASSH9906	887,769.98	879,309.45	887,769.98	887,769.98	8,460.53	4.521	N/A
Sub Total/Average H9906 Hospital - SPFC		**938,794.70**	**924,961.26**	**938,794.70**	**938,794.70**	**8,880.78**	**4.498**	
H9917 Hospital - Debt Service 2010								
H9917 Hospital - Series 2010 DS Sweep MMF MM	M3993	119,443.47	29,361.88	119,443.47	119,443.47	7,057.90	4.100	N/A
TexasCLASS | H9917 LGIP	TXCLASSH9917	20,512.46	20,316.97	20,512.46	20,512.46	195.49	4.521	N/A
T-Bill 0 10/6/2022	912796M89	0.00	6,398,752.00	0.00	0.00	1,218.88		10/6/2022
T-Bill 0 2/14/2023	912796ZU6	6,400,000.00	0.00	6,317,706.50	6,368,209.60	51,571.09	4.082	2/14/2023
Sub Total/Average H9917 Hospital - Debt Service 2010		**6,539,955.93**	**6,448,430.85**	**6,457,662.43**	**6,508,165.53**	**60,043.36**	**4.084**	
H9918 Hospital - Debt Service Reserve 2010								
H9918 Hospital - Series 2010 DSR Sweep MMF MM	M4017	128,175.13	43,610.83	128,175.13	128,175.13	6,752.79	4.100	N/A
TexasCLASS | H9918 LGIP	TXCLASSH9918	22,850.19	22,632.45	22,850.19	22,850.19	217.74	4.521	N/A
T-Bill 0 10/6/2022	912796M89	0.00	5,998,830.00	0.00	0.00	1,142.70		10/6/2022
T-Bill 0 2/14/2023	912796ZU6	6,000,000.00	0.00	5,922,849.84	5,970,196.50	48,347.90	4.082	2/14/2023
Sub Total/Average H9918 Hospital - Debt Service Reserve 2010		**6,151,025.32**	**6,065,073.28**	**6,073,875.16**	**6,121,221.82**	**56,461.13**	**4.084**	
H9920 Hospital - Debt Service 2016 Rev & Ref								
H9920 Hospital - Series 2016 DS Sweep MMF MM	M4009	211,509.03	67,794.22	211,509.03	211,509.03	11,426.11	4.100	N/A
TexasCLASS | H9920 LGIP	TXCLASSH9920	23,931.28	23,703.24	23,931.28	23,931.28	228.04	4.521	N/A
T-Bill 0 10/6/2022	912796M89	0.00	10,198,011.00	0.00	0.00	1,942.59		10/6/2022

Description	CUSIP/Ticker	Ending Face Amount/Shares	Beginning MV	Ending MV	Ending BV	Investment Income-BV	Ending YTM @ Cost	Maturity Date
T-Bill 0 2/14/2023	912796ZU6	10,200,000.00	0.00	10,068,844.73	10,149,334.05	82,191.43	4.082	2/14/2023
Sub Total/Average H9920 Hospital - Debt Service 2016 Rev & Ref		**10,435,440.31**	**10,289,508.46**	**10,304,285.04**	**10,384,774.36**	**95,788.17**	**4.084**	
H9921 Hospital - Debt Service Reserve 2016 Rev &am								
H9921 Hospital - Series 2016 DSR Sweep MMF MM	M4033	269,679.30	119,981.21	269,679.30	269,679.30	12,293.04	4.100	N/A
T-Bill 0 10/6/2022	912796M89	0.00	10,597,933.00	0.00	0.00	2,018.77		10/6/2022
T-Bill 0 2/14/2023	912796ZU6	10,600,000.00	0.00	10,463,701.38	10,547,347.15	85,414.62	4.082	2/14/2023
Sub Total/Average H9921 Hospital - Debt Service Reserve 2016 Rev &am		**10,869,679.30**	**10,717,914.21**	**10,733,380.68**	**10,817,026.45**	**99,726.43**	**4.083**	
H9924 Hospital - Capital Assets Series 2020								
H9924 Hospital - Capital Assets Ser 2020 Sweep MMF	M6228	164,141.75	161,547.84	164,141.75	164,141.75	1,378.20	4.100	N/A
TexasCLASS | H9924 LGIP	TXCLASSH9924	6,092,253.43	6,034,193.52	6,092,253.43	6,092,253.43	58,059.91	4.521	N/A
Sub Total/Average H9924 Hospital - Capital Assets Series 2020		**6,256,395.18**	**6,195,741.36**	**6,256,395.18**	**6,256,395.18**	**59,438.11**	**4.510**	
H9925 Hospital - Capital Gift Proceeds								
H9925 Hospital - Capital Gift Proceeds Sweep MM	M1367	14,669.77	14,567.59	14,669.77	14,669.77	123.18	4.100	N/A
TexasCLASS | H9925 LGIP	TXCLASSH9925	45,762,949.74	45,326,823.09	45,762,949.74	45,762,949.74	436,126.65	4.521	N/A
Sub Total/Average H9925 Hospital - Capital Gift Proceeds		**45,777,619.51**	**45,341,390.68**	**45,777,619.51**	**45,777,619.51**	**436,249.83**	**4.521**	
Total / Average		**1,259,296,335.06**	**918,330,320.65**	**1,256,572,180.66**	**1,258,369,106.78**	**9,567,067.13**	**3.851**	

Thursday, February 23, 2023

Consideration of Acceptance of the Harris Health System Fourth Quarter Calendar Year 2022 Pension Plan Report

Attached for your review and acceptance is the Fourth Quarter Calendar Year 2022 Pension Plan Report for the period October–December 2022.

Administration recommends that the Board accept the Fourth Quarter Pension Plan Report for the period ended December 31, 2022.

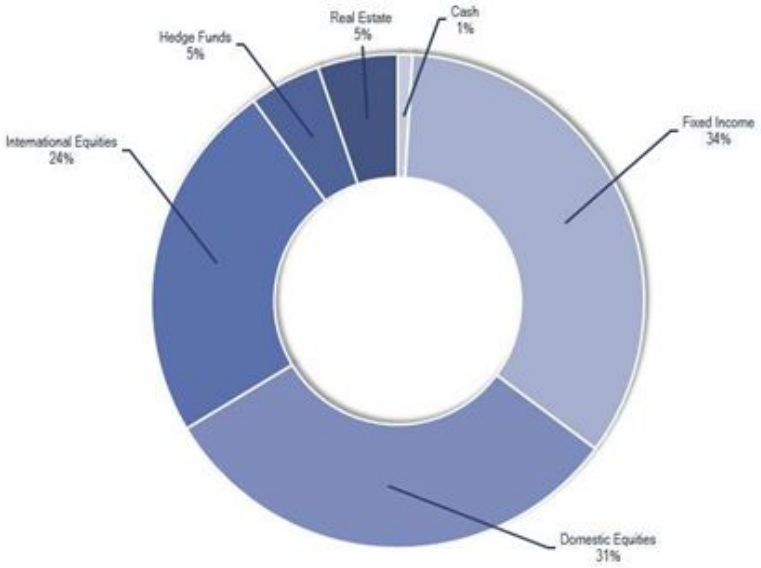
Pension Plan Summary

HARRISHEALTH SYSTEM

For the Quarter Ended and Year to Date December 31, 2022

	YEAR-TO-DATE	QUARTERLY				YEAR-TO-DATE
	12/31/21	03/31/22	06/30/22	09/30/22	12/31/22	12/31/22
Investment Return	**9.7%**	-5.9%	-11.4%	-4.8%	5.6%	**-16.3%**
Market Value of Assets (in millions)	**$ 966.4**	$ 911.6	$ 808.9	$ 776.2	$ 821.2	**$ 821.2**
Employer Contributions (in millions)	**$ 57.0**	$ 14.7	$ 9.9	$ 20.2	$ 15.2	**$ 60.0**
Benefit Payments (in millions)	**$ 53.3**	$ 13.8	$ 14.1	$ 14.2	$ 14.4	**$ 56.6**
Funded Ratio	**86.2%**	80.8%	71.3%	68.0%	71.6%	**71.6%**

Current Asset Allocation:



*The Plan was in compliance with target asset allocations per the Board approved Pension Plan Investment Policy.

Market Updates:

The market value of the Plan assets increased $45.0 million this quarter and decreased $145.2 million since the beginning of the calendar year. Investment return was 5.6% for the quarter ended December 31, 2022, due to the following market conditions:

- In the final quarter of 2022, equity markets rebounded as high-interest rate concerns abated. Volatility fell throughout the quarter, albeit still well above its 20-year average, and yields trended higher with major central banks indicating continued support for aggressive monetary policy to control rising inflation.
- Global equities showed considerable strength as a relief rally took hold, with fundamentals holding up relatively well and valuations rising as sentiment turned more positive on signs of receding inflation risk and greater monetary policy certainty. While the rally was broad-based, stocks with resilient fundamentals did particularly well. Regionally, non-U.S. equities, both developed and emerging markets, bested U.S. equities, helped by more market-friendly central bank activity, a declining dollar, and a reopening China.
- Global fixed income markets ended the year on a mixed note in the final quarter. Government bond yields edged higher during the fourth quarter, while credit spreads tightened on improved risk sentiment. These conditions resulted in investment grade and high yield credit generating positive returns and outperforming government bonds over the quarter.

Thursday, February 23, 2023

Consideration of Acceptance of the Harris Health System December 2022 Quarterly Financial Report Subject to Audit

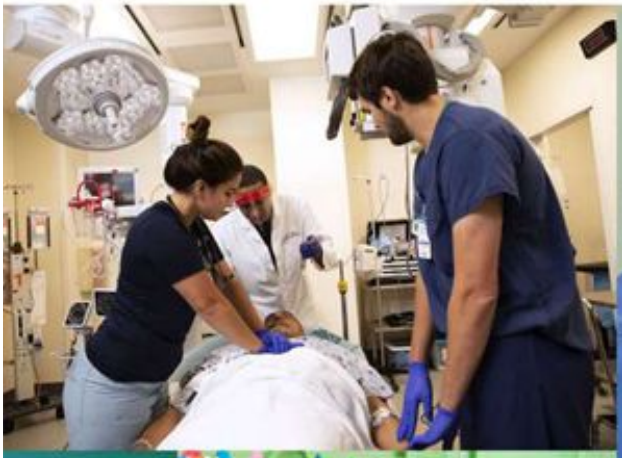
Attached for your review and consideration is the December 2022 Financial Report for the quarter and three months fiscal year-to-date ended December 31, 2022.

Administration recommends that the Board accept the financial report for the period ended December 31, 2022, subject to final audit.

HARRISHEALTH SYSTEM

Financial Statements

As of December 31, 2022



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HARRISHEALTH SYSTEM

Operating income for the quarter ended December 31, 2022 was $55.0 million compared to budgeted income of $10.9 million.

Total quarterly net revenue for December of $598.6 million was $26.0 million or 4.5% more than budget. Improved investment returns contributed $9.2 million to the positive variance. Medicaid Supplemental programs were $13.8 million greater than expected primarily due to the updated Hospital Augmented Reimbursement Program projections received from the State.

Total quarterly expenses of $543.6 million were $18.1 million or 3.2% less than budget. Staff costs were $12.0 million under budget as a result of a reduction in contract labor utilization and decreases in benefits expense. Physician services were $7.3 million less than projected mostly due to the unfilled faculty vacancies and prior period adjustments.

For the first quarter, total patient days and average daily census increased 5.7% compared to budget. Inpatient case mix index, a measure of patient acuity, was 2.7% lower while length of stay was 4.7% higher than budget. Emergency room visits were 1.0% higher than planned for the quarter. Total clinic visits, including telehealth, were 4.8% higher compared to budget. Births were up 21.1%.

Total cash receipts for the quarter were $889.7 million. The System has $1,151.7 million in unrestricted cash, cash equivalents and investments, representing 200.4 days cash on hand. Harris Health System has $146.4 million in net accounts receivable, representing 73.0 days of outstanding patient accounts receivable at December 31, 2022. The December balance sheet reflects a combined net receivable position of $162.9 million under the various Medicaid Supplemental programs.

Income Statement

HARRISHEALTH SYSTEM

As of the Quarter Ended December 31, 2022 (In $ Millions)

	QUARTER-TO-DATE			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	PRIOR YEAR	PERCENT VARIANCE
REVENUE								
Net Patient Revenue	$ 184.7	$ 182.9	1.0%	$ 184.7	$ 182.9	1.0%	$ 199.0	-7.2%
Medicaid Supplemental Programs	166.9	153.1	9.0%	166.9	153.1	9.0%	92.9	79.7%
Other Operating Revenue	29.1	27.6	5.6%	29.1	27.6	5.6%	7.1	311.2%
Total Operating Revenue	**$ 380.7**	**$ 363.6**	**4.7%**	**$ 380.7**	**$ 363.6**	**4.7%**	**$ 298.9**	**27.3%**
Net Ad Valorem Taxes	207.8	207.8	0.0%	207.8	207.8	0.0%	201.5	3.1%
Net Tobacco Settlement Revenue	-	-	0.0%	-	-	0.0%	-	0.0%
Capital Gifts & Grants	-	-	0.0%	-	-	0.0%	-	0.0%
Interest Income & Other	10.1	1.3	711.7%	10.1	1.3	711.7%	17.2	-41.0%
Total Nonoperating Revenue	**$ 218.0**	**$ 209.0**	**4.3%**	**$ 218.0**	**$ 209.0**	**4.3%**	**$ 218.7**	**-0.3%**
Total Net Revenue	**$ 598.6**	**$ 572.6**	**4.5%**	**$ 598.6**	**$ 572.6**	**4.5%**	**$ 517.6**	**15.7%**
EXPENSE								
Salaries and Wages	$ 215.8	$ 220.8	2.2%	$ 215.8	$ 220.8	2.2%	$ 207.5	-4.0%
Employee Benefits	66.1	73.2	9.6%	66.1	73.2	9.6%	68.8	3.9%
Total Labor Cost	**$ 282.0**	**$ 293.9**	**4.1%**	**$ 282.0**	**$ 293.9**	**4.1%**	**$ 276.4**	**-2.0%**
Supply Expenses	72.9	69.9	-4.2%	72.9	69.9	-4.2%	71.6	-1.8%
Physician Services	100.6	107.9	6.8%	100.6	107.9	6.8%	89.2	-12.7%
Purchased Services	66.5	66.9	0.5%	66.5	66.9	0.5%	71.9	7.5%
Depreciation & Interest	21.6	23.0	6.2%	21.6	23.0	6.2%	18.4	-17.0%
Total Operating Expense	**$ 543.6**	**$ 561.7**	**3.2%**	**$ 543.6**	**$ 561.7**	**3.2%**	**$ 527.6**	**-3.0%**
Operating Income (Loss)	**$ 55.0**	**$ 10.9**		**$ 55.0**	**$ 10.9**		**$ (10.0)**	
Total Margin %	**9.2%**	**1.9%**		**9.2%**	**1.9%**		**-1.9%**	

Balance Sheet

HARRISHEALTH SYSTEM

the Quarter Ended December 31, 2022 (In $ Millions)

	CURRENT YEAR	PRIOR YEAR
CURRENT ASSETS		
Cash, Cash Equivalents and Short Term Investments	$ 1,151.7	$ 1,005.0
Net Patient Accounts Receivable	146.4	90.7
Net Ad Valorem Taxes, Current Portion	(2.9)	434.3
Other Current Assets	260.2	150.6
Total Current Assets	**$ 1,555.4**	**$ 1,680.6**
CAPITAL ASSETS		
Plant, Property, & Equipment, Net of Accumulated Depreciation	$ 415.1	$ 438.4
Construction in Progress	181.0	103.3
Right of Use Assets	44.9	-
Total Capital Assets	**$ 640.9**	**$ 541.7**
ASSETS LIMITED AS TO USE & RESTRICTED ASSETS		
Debt Service & Capital Asset Funds	$ 40.1	$ 50.4
LPPF Restricted Cash	24.7	29.7
Capital Gift Proceeds	45.8	-
Other - Restricted	1.0	1.0
Total Assets Limited As to Use & Restricted Assets	**$ 111.6**	**$ 81.2**
Other Assets	30.4	12.0
Deferred Outflows of Resources	188.5	179.3
Total Assets & Deferred Outflows of Resources	**$ 2,526.9**	**$ 2,494.8**
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 186.3	$ 187.8
Employee Compensation & Related Liabilities	132.6	117.3
Estimated Third-Party Payor Settlements	14.9	13.5
Current Portion Long-Term Debt and Capital Leases	20.3	12.3
Total Current Liabilities	**$ 354.0**	**$ 330.8**
Long-Term Debt	331.5	307.8
Net Pension & Post Employment Benefits Liability	598.2	737.7
Other Long-Term Liabilities	8.0	24.1
Deferred Inflows of Resources	218.7	112.4
Total Liabilities	**$ 1,510.4**	**$ 1,512.9**
Total Net Assets	**$ 1,016.5**	**$ 981.9**
Total Liabilities & Net Assets	**$ 2,526.9**	**$ 2,494.8**

Cash Flow Summary

HARRISHEALTH SYSTEM

As of the Quarter Ended December 31, 2022 (In $ Millions)

	QUARTER-TO-DATE		YEAR-TO-DATE	
	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR
CASH RECEIPTS				
Collections on Patient Accounts	$ 156.9	$ 208.2	$ 156.9	$ 208.2
Medicaid Supplemental Programs	462.0	228.8	462.0	228.8
Net Ad Valorem Taxes	204.0	221.6	204.0	221.6
Tobacco Settlement	-	-	-	-
Other Revenue	66.8	39.7	66.8	39.7
Total Cash Receipts	**$ 889.7**	**$ 698.3**	**$ 889.7**	**$ 698.3**
CASH DISBURSEMENTS				
Salaries. Wages and Benefits	$ 313.1	$ 268.2	$ 313.1	$ 268.2
Supplies	73.8	69.5	73.8	69.5
Physician Services	96.4	90.7	96.4	90.7
Purchased Services	52.5	50.5	52.5	50.5
Capital Expenditures	32.5	25.9	32.5	25.9
Debt and Interest Payments	0.9	0.9	0.9	0.9
Other Uses	(8.5)	40.3	(8.5)	40.3
Total Cash Disbursements	**$ 560.8**	**$ 545.9**	**$ 560.8**	**$ 545.9**
Net Change	**$ 328.9**	**$ 152.4**	**$ 328.9**	**$ 152.4**

Unrestricted Cash, Cash Equivalents and Investments - September 30, 2022	$ 822.8
Net Change	328.9
Unrestricted Cash, Cash Equivalents and Investments - November 30, 2022	**$ 1,151.7**

Performance Ratios

HARRISHEALTH SYSTEM

As of the Quarter Ended December 31, 2022

	QUARTER-TO-DATE		YEAR-TO-DATE		
	CURRENT YEAR	CURRENT BUDGET	CURRENT YEAR	CURRENT BUDGET	PRIOR YEAR
OPERATING HEALTH INDICATORS					
Operating Margin %	9.2%	1.9%	9.2%	1.9%	-1.9%
Run Rate per Day (In$ Millions)	$ 5.7	$ 5.9	$ 5.7	$ 5.9	$ 5.6
Salary, Wages & Benefit per APD	$ 2,265	$ 2,568	$ 2,265	$ 2,568	$ 2,488
Supply Cost per APD	$ 586	$ 611	$ 586	$ 611	$ 645
Physician Services per APD	$ 808	$ 943	$ 808	$ 943	$ 803
Total Expense per APD	**$ 4,367**	**$ 4,908**	**$ 4,367**	**$ 4,908**	**$ 4,749**
Overtime as a % of Total Salaries	3.7%	1.6%	3.7%	1.6%	3.1%
Contract as a % of Total Salaries	5.8%	7.2%	5.8%	7.2%	7.1%
Full-time Equivalent Employees	9,866	10,168	9,866	10,168	9,271
FINANCIAL HEALTH INDICATORS					
Quick Ratio			4.3		5.0
Unrestricted Cash (In $ Millions)			$ 1,151.7	$ 610.4	$ 1,005.0
Days Cash on Hand			200.4	107.6	180.4
Days Revenue in Accounts Receivable			73.0	53.7	41.9
Days in Accounts Payable			44.6		37.6
Capital Expenditures/Depreciation & Amortization			174.8%		164.3%
Average Age of Plant(years)			11.1		12.4

Harris Health System Key Indicators

Statistical Highlights

HARRISHEALTH SYSTEM

As of the Quarter Ended December 31, 2022

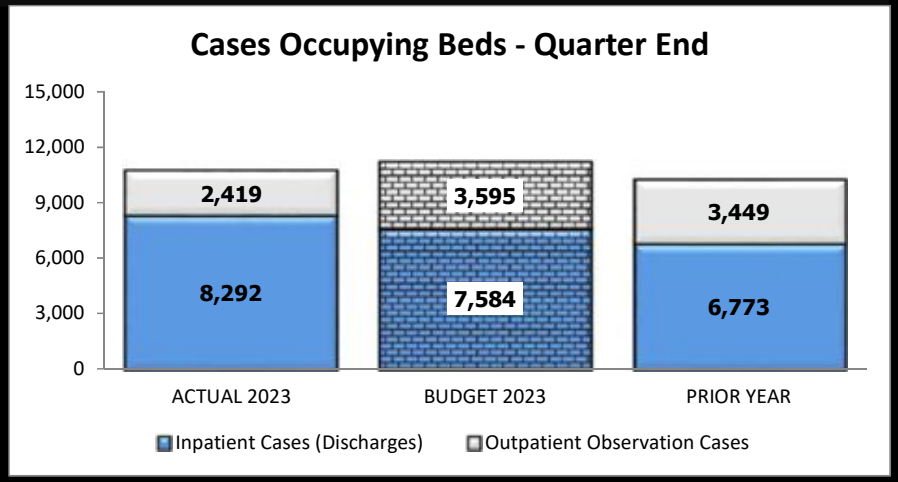
	QUARTER-TO-DATE			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
Adjusted Patient Days	124,480	114,445	8.8%	124,480	114,445	8.8%	111,089	12.1%
Outpatient % of Adjusted Volume	60.1%	62.1%	-3.2%	60.1%	62.1%	-3.2%	63.0%	-4.7%
Primary Care Clinic Visits	131,474	120,974	8.7%	131,474	120,974	8.7%	118,050	11.4%
Specialty Clinic Visits	60,377	57,990	4.1%	60,377	57,990	4.1%	57,377	5.2%
Telehealth Clinic Visits	32,466	35,045	-7.4%	32,466	35,045	-7.4%	46,887	-30.8%
Total Clinic Visits	**224,317**	**214,009**	**4.8%**	**224,317**	**214,009**	**4.8%**	**222,314**	**0.9%**
Emergency Room Visits - Outpatient	32,891	33,248	-1.1%	32,891	33,248	-1.1%	31,001	6.1%
Emergency Room Visits - Admitted	5,410	4,677	15.7%	5,410	4,677	15.7%	4,098	32.0%
Total Emergency Room Visits	**38,301**	**37,925**	**1.0%**	**38,301**	**37,925**	**1.0%**	**35,099**	**9.1%**
Surgery Cases - Outpatient	2,565	3,181	-19.4%	2,565	3,181	-19.4%	2,292	11.9%
Surgery Cases - Inpatient	2,375	2,680	-11.4%	2,375	2,680	-11.4%	2,163	9.8%
Total Surgery Cases	**4,940**	**5,861**	**-15.7%**	**4,940**	**5,861**	**-15.7%**	**4,455**	**10.9%**
Total Outpatient Visits	**366,093**	**364,095**	**0.5%**	**366,093**	**364,095**	**0.5%**	**371,733**	**-1.5%**
Inpatient Cases (Discharges)	8,292	7,584	9.3%	8,292	7,584	9.3%	6,773	22.4%
Outpatient Observation Cases	2,419	3,595	-32.7%	2,419	3,595	-32.7%	3,449	-29.9%
Total Cases Occupying Patient Beds	**10,711**	**11,179**	**-4.2%**	**10,711**	**11,179**	**-4.2%**	**10,222**	**4.8%**
Births	1,507	1,244	21.1%	1,507	1,244	21.1%	1,371	9.9%
Inpatient Days	49,666	43,366	14.5%	49,666	43,366	14.5%	41,053	21.0%
Outpatient Observation Days	7,687	10,905	-29.5%	7,687	10,905	-29.5%	10,592	-27.4%
Total Patient Days	**57,353**	**54,271**	**5.7%**	**57,353**	**54,271**	**5.7%**	**51,645**	**11.1%**
Average Daily Census	623.4	589.9	5.7%	623.4	589.9	5.7%	561.4	11.1%
Average Operating Beds	681	681	0.0%	681	681	0.0%	677	0.6%
Bed Occupancy %	91.5%	86.6%	5.7%	91.5%	86.6%	5.7%	82.9%	10.4%
Inpatient Average Length of Stay	5.99	5.72	4.7%	5.99	5.72	4.7%	6.06	-1.2%
Inpatient Case Mix Index (CMI)	1.661	1.706	-2.7%	1.661	1.706	-2.7%	1.797	-7.6%
Payor Mix (% of Charges)								
Charity & Self Pay	46.6%	46.7%	-0.3%	46.6%	46.7%	-0.2%	46.7%	-0.3%
Medicaid & Medicaid Managed	22.9%	22.7%	1.1%	22.9%	22.7%	1.1%	21.0%	9.5%
Medicare & Medicare Managed	10.8%	11.0%	-1.5%	10.8%	11.0%	-1.5%	12.0%	-9.6%
Commercial & Other	19.6%	19.5%	0.7%	19.6%	19.5%	0.7%	20.3%	-3.4%
Total Unduplicated Patients - Rolling 12				**241,493**			**261,095**	**-7.5%**
Total New Patient - Rolling 12				**84,727**			**82,647**	**2.5%**

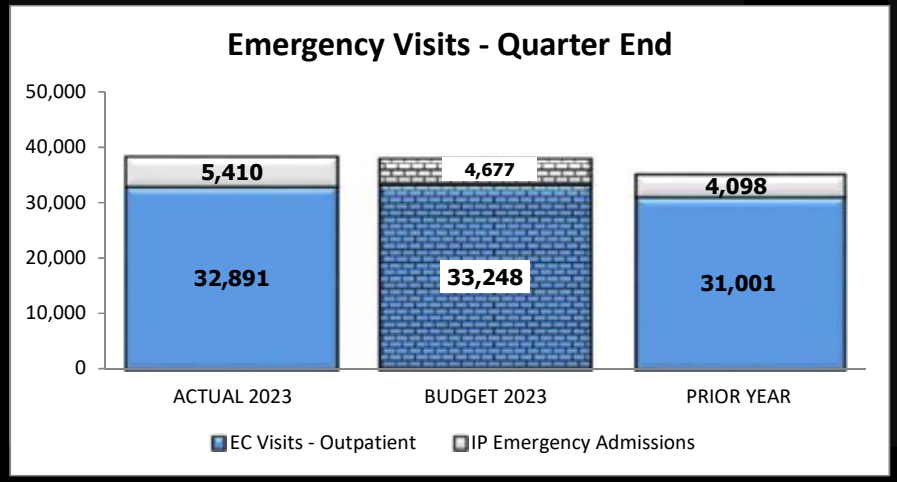
Harris Health System

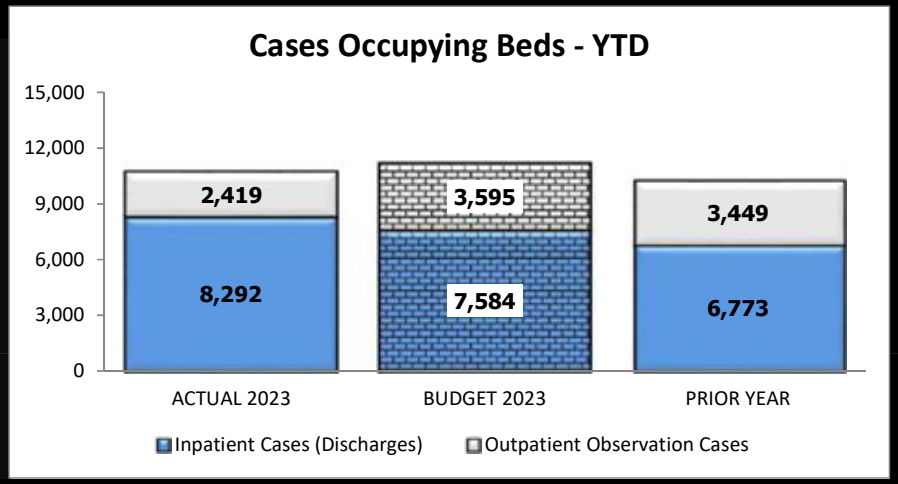
Statistical Highlights

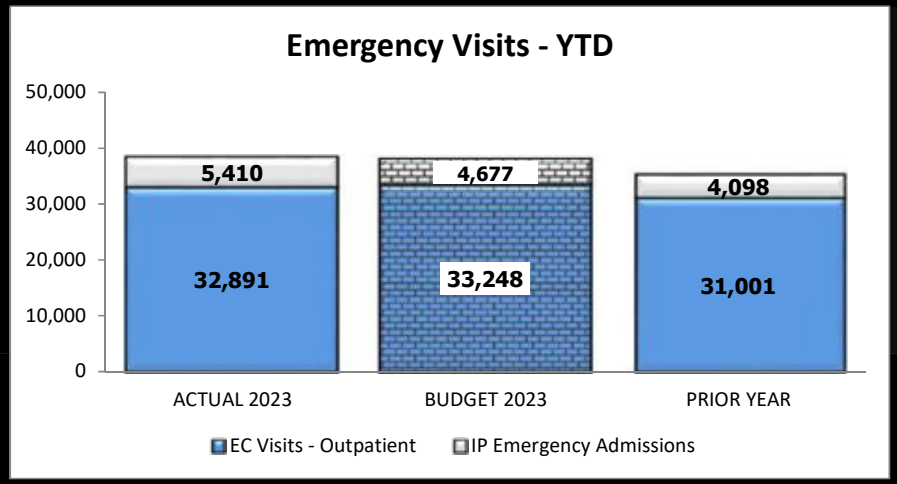
As of the Quarter Ended December 31, 2022

Cases Occupying Beds - Q1			Cases Occupying Beds - YTD			Emergency Visits - Q1			Emergency Visits - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
10,711	11,179	10,222	10,711	11,179	10,222	38,301	37,925	35,099	38,301	37,925	35,099









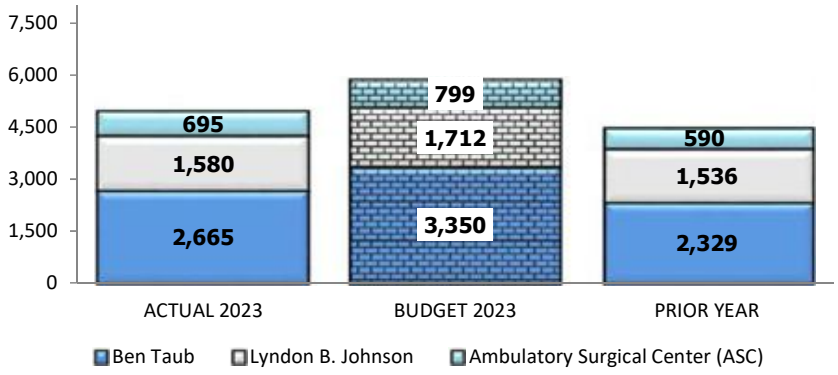
Harris Health System

Statistical Highlights

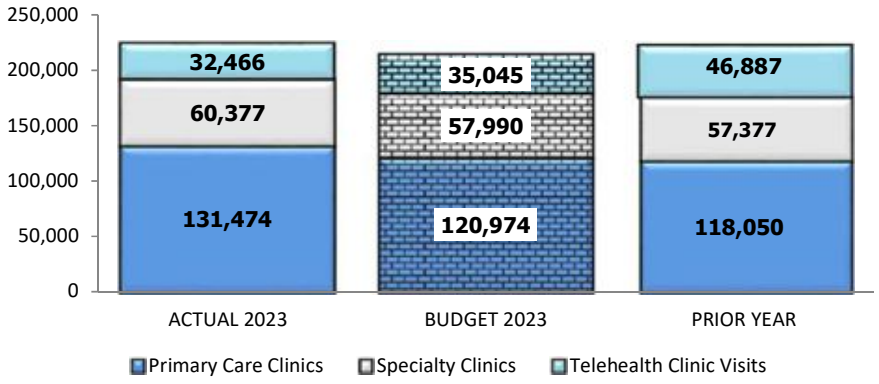
As of the Quarter Ended December 31, 2022

Surgery Cases - Q1			Surgery Cases - YTD			Clinic Visits - Q1			Clinic Visits - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
4,940	5,861	4,455	4,940	5,861	4,455	224,317	214,009	222,314	224,317	214,009	222,314

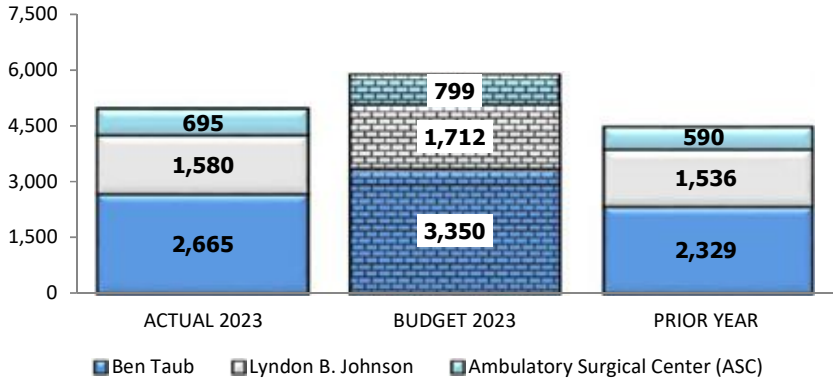
Surgery Cases - Quarter End



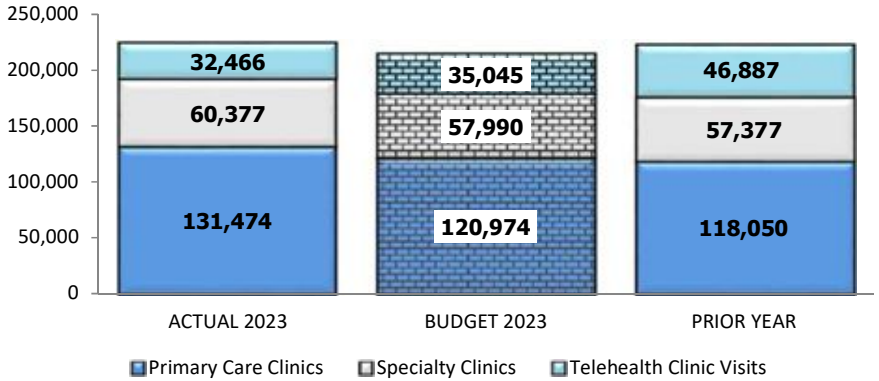
Clinic Visits - Quarter End



Surgery Cases - YTD



Clinic Visits - YTD

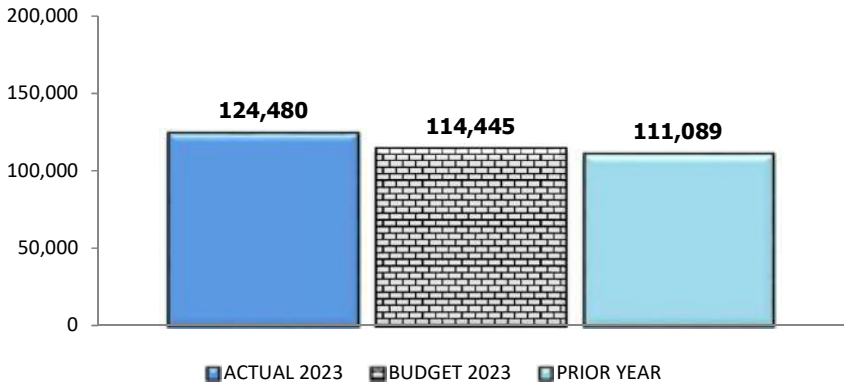


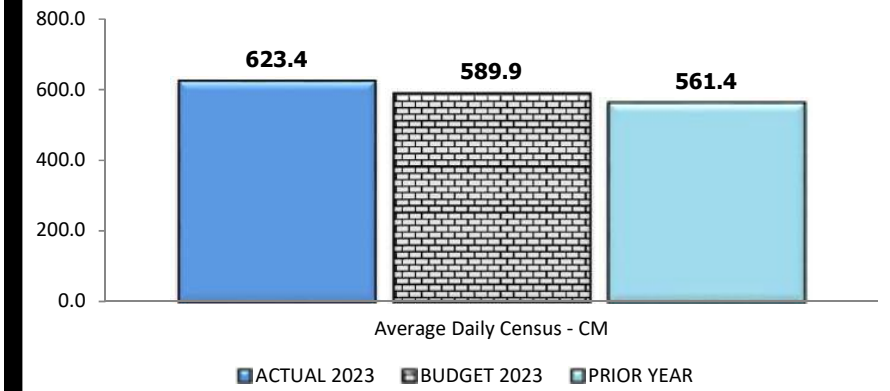
Harris Health System

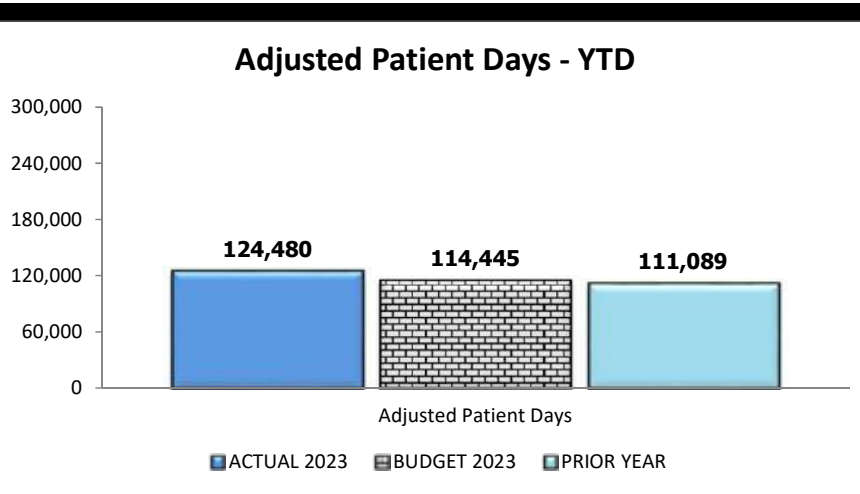
Statistical Highlights

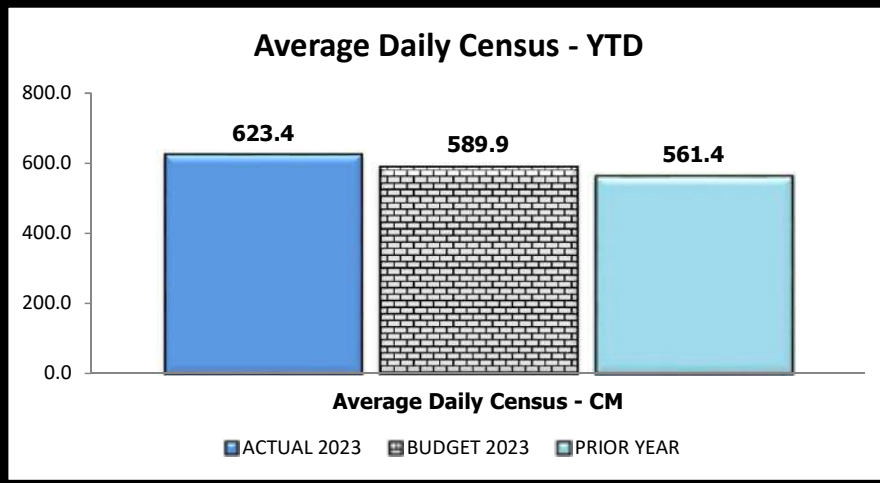
As of the Quarter Ended December 31, 2022

Adjusted Patient Days - Q1	Adjusted Patient Days - YTD	Average Daily Census - Q1	Average Daily Census - YTD
124,480	124,480	623.4	623.4









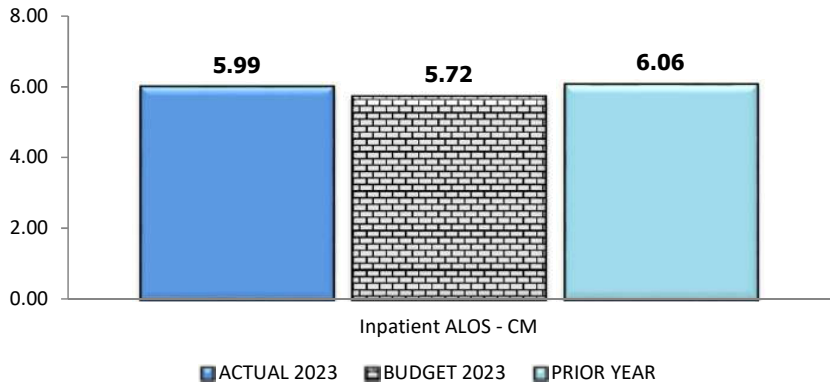
Harris Health System

Statistical Highlights

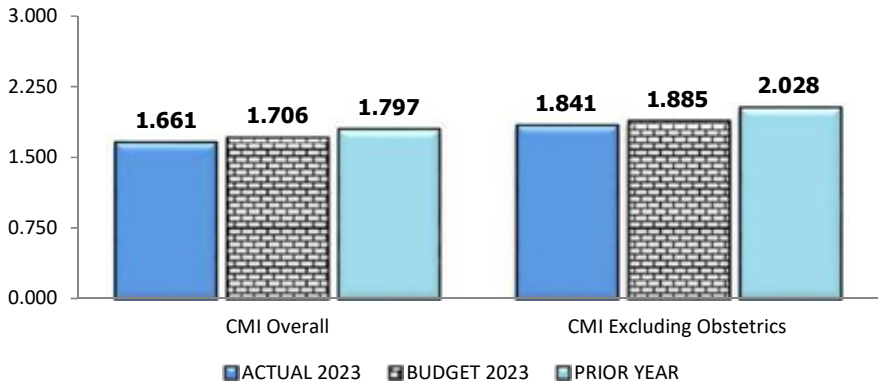
As of the Quarter Ended December 31, 2022

Inpatient ALOS - Q1	Inpatient ALOS - YTD	Case Mix Index - Q1		Case Mix Index (CMI) - YTD	
		Overall	Excl. Obstetrics	Overall	Excl. Obstetrics
5.99	5.99	1.661	1.841	1.661	1.841

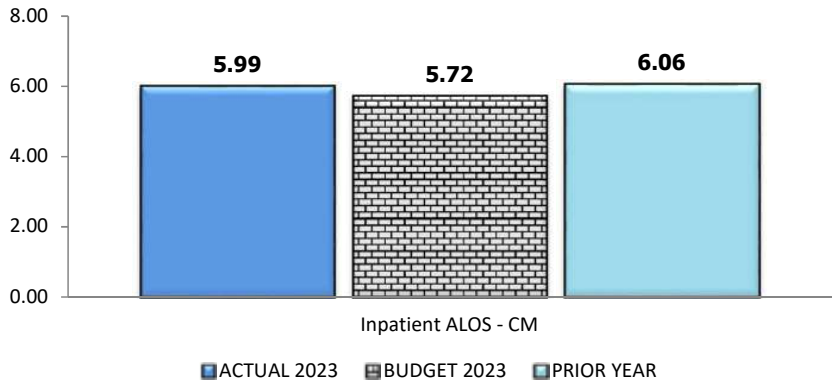
Inpatient ALOS - Quarter End



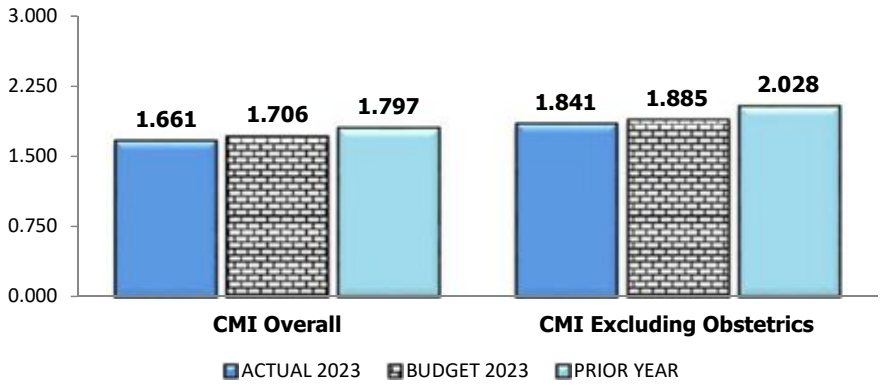
Case Mix Index - Quarter End



Inpatient ALOS - YTD



Case Mix Index - YTD

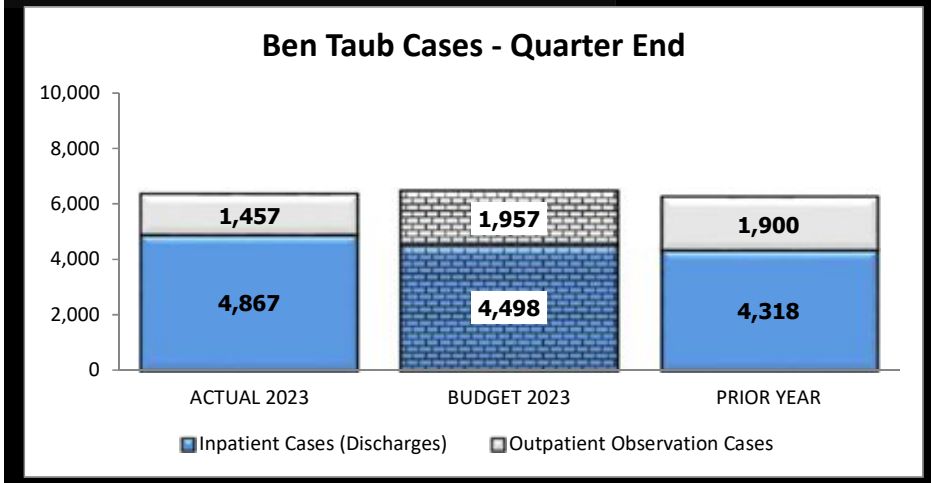


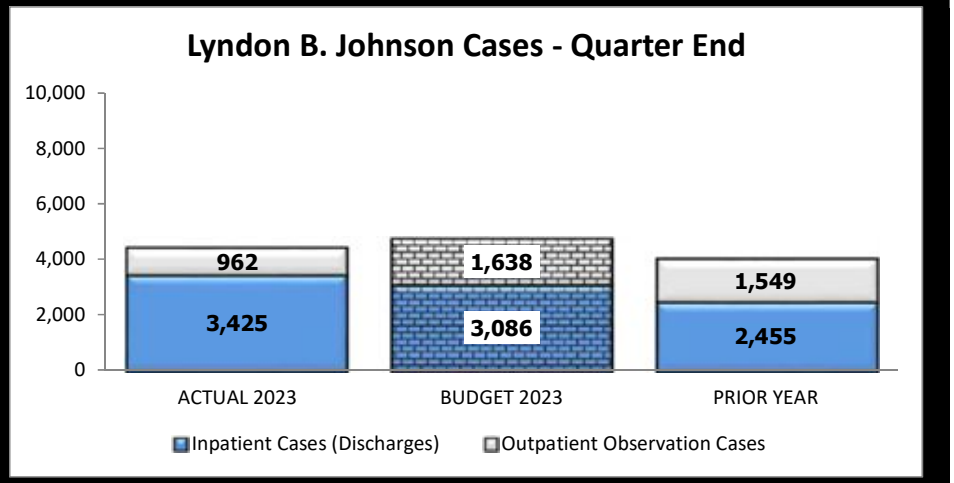
Harris Health System

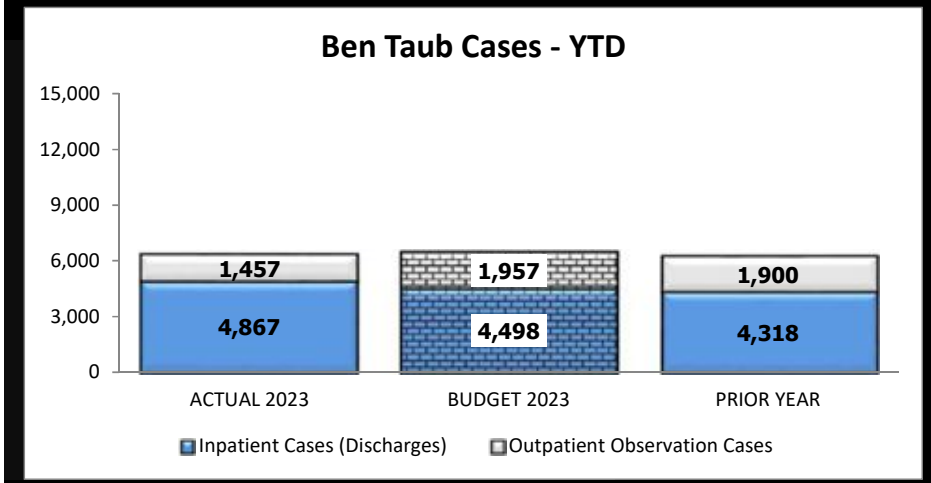
Statistical Highlights - Cases Occupying Beds

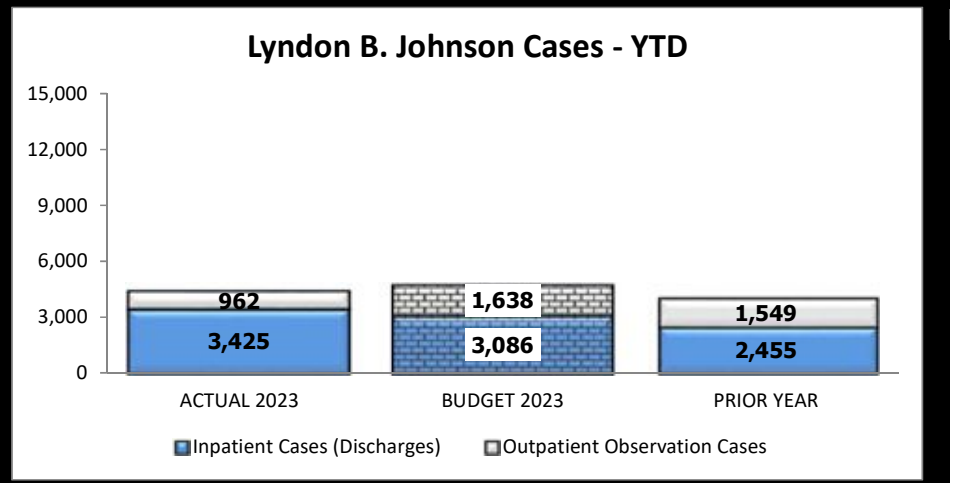
As of the Quarter Ended December 31, 2022

BT Cases Occupying Beds - Q1			BT Cases Occupying Beds - YTD			LBJ Cases Occupying Beds - Q1			LBJ Cases Occupying Beds - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
6,324	6,455	6,218	6,324	6,455	6,218	4,387	4,724	4,004	4,387	4,724	4,004









Harris Health System

Statistical Highlights - Surgery Cases

As of the Quarter Ended December 31, 2022

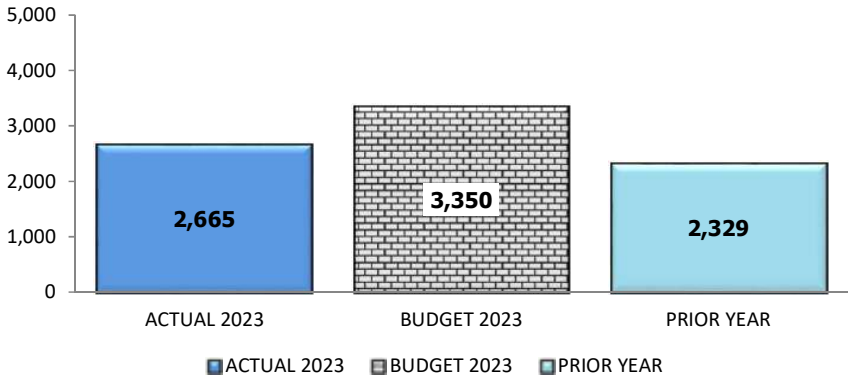
BT Surgery Cases - Q1		
Actual	Budget	Prior Year
2,665	3,350	2,329

BT Surgery Cases - YTD		
Actual	Budget	Prior Year
2,665	3,350	2,329

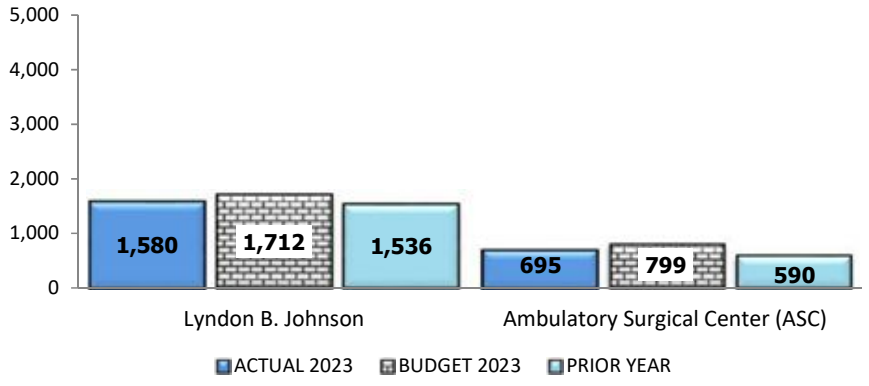
LBJ Surgery Cases - Q1		
Actual	Budget	Prior Year
2,275	2,511	2,126

LBJ Surgery Cases - YTD		
Actual	Budget	Prior Year
2,275	2,511	2,126

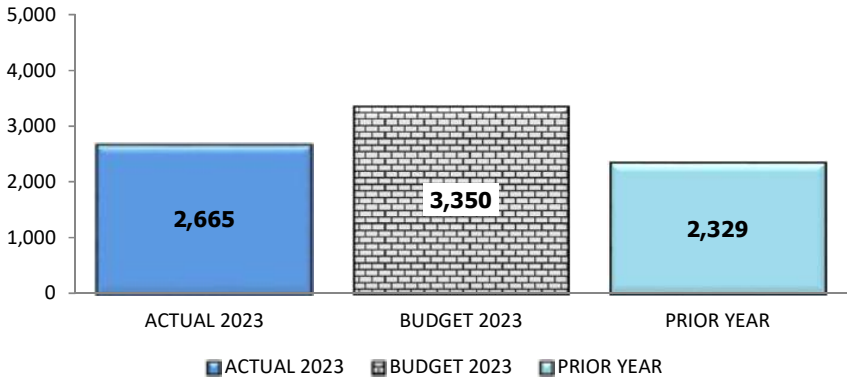
Ben Taub OR Cases - Quarter End



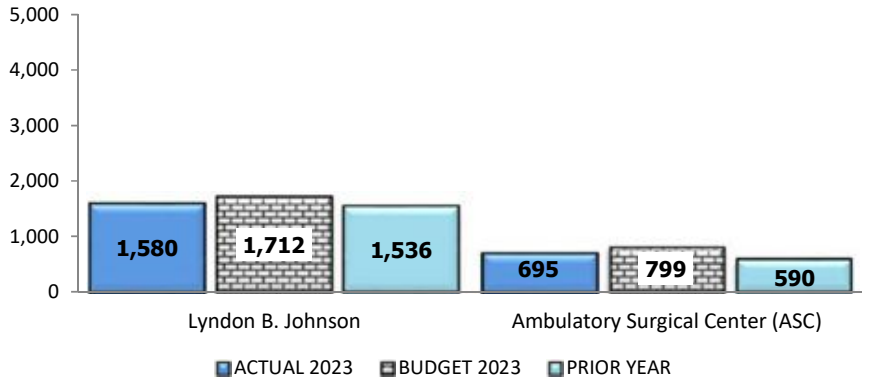
Lyndon B. Johnson OR Cases - Quarter End



Ben Taub OR Cases - YTD



Lyndon B. Johnson OR Cases - YTD



Harris Health System

Statistical Highlights - Emergency Room Visits

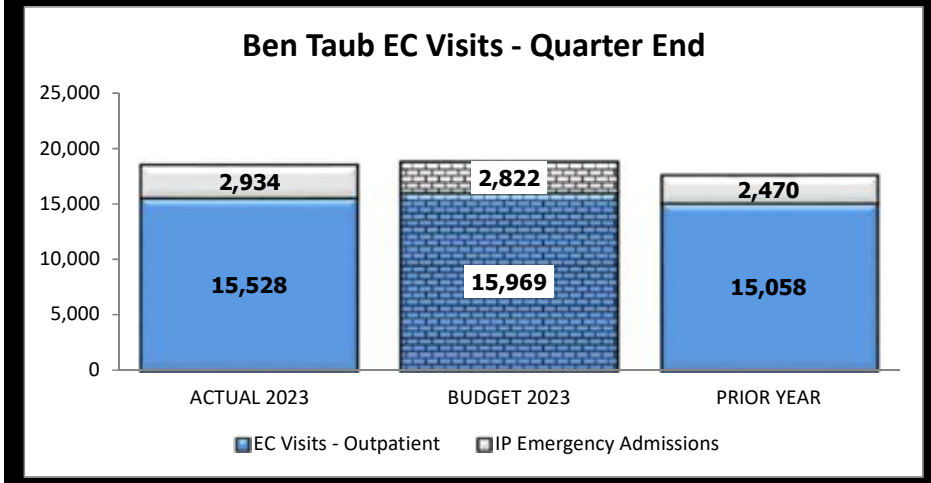
As of the Quarter Ended December 31, 2022

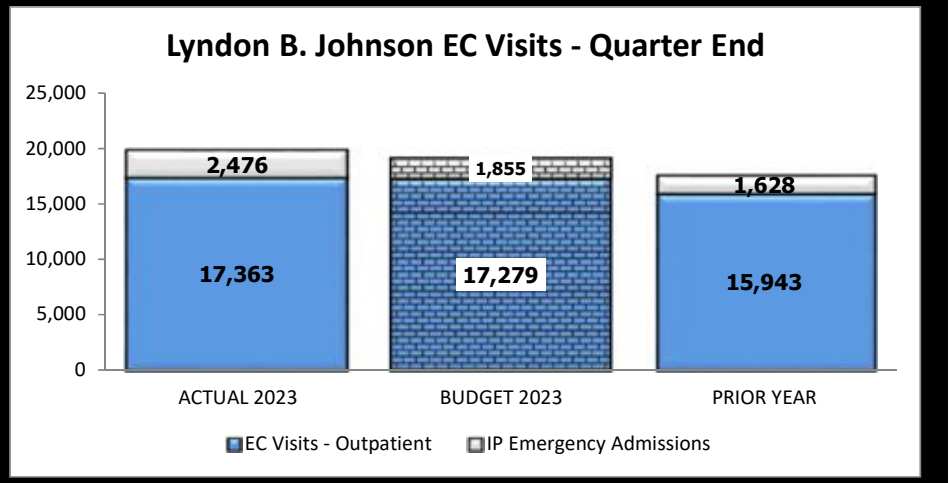
BT Emergency Visits - Q1		
Actual	Budget	Prior Year
18,462	18,791	17,528

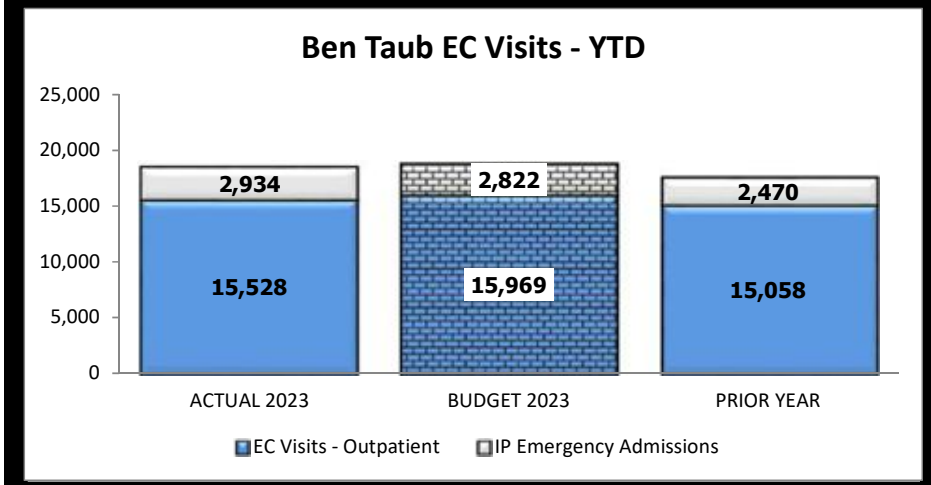
BT Emergency Visits - YTD		
Actual	Budget	Prior Year
18,462	18,791	17,528

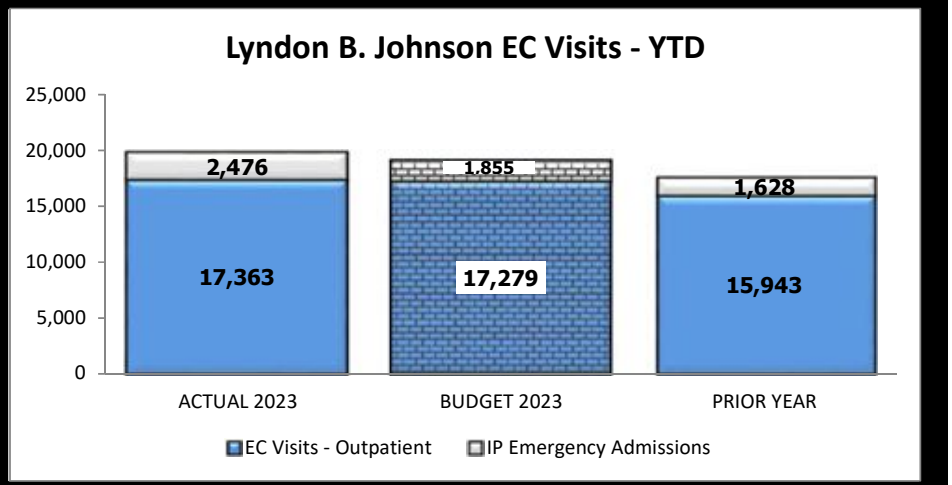
LBJ Emergency Visits - Q1		
Actual	Budget	Prior Year
19,839	19,134	17,571

LBJ Emergency Visits - YTD		
Actual	Budget	Prior Year
19,839	19,134	17,571







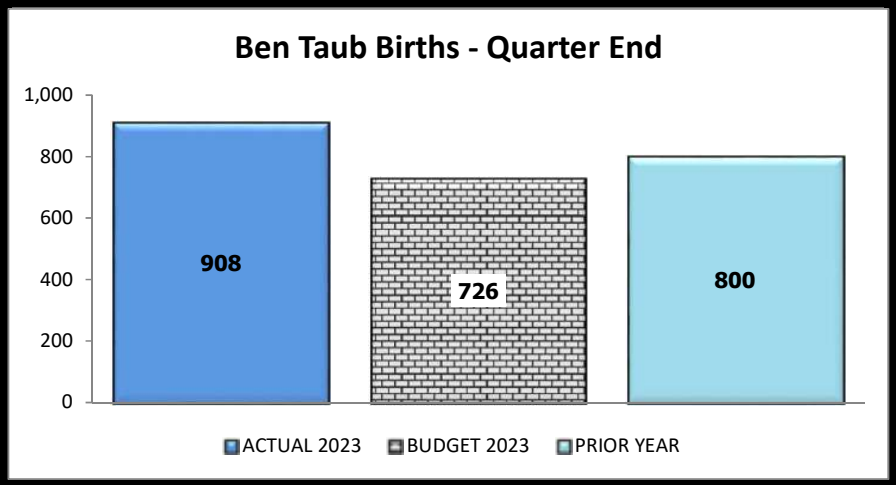


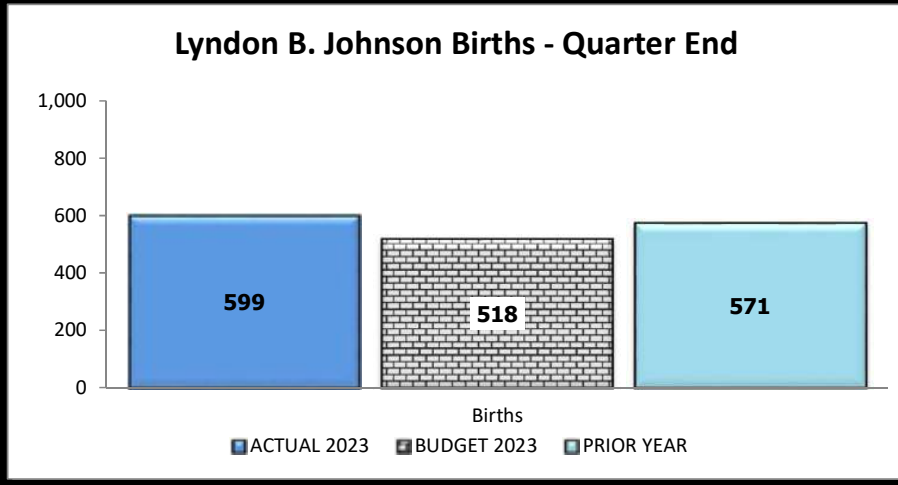
Harris Health System

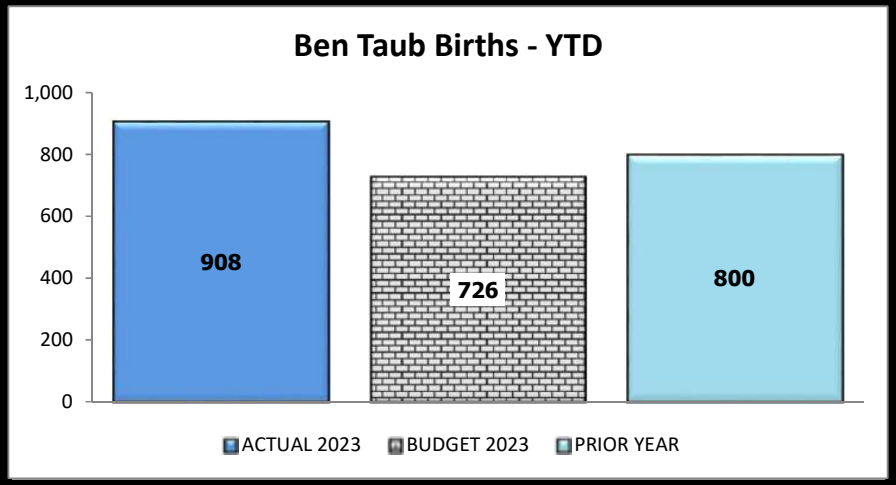
Statistical Highlights - Births

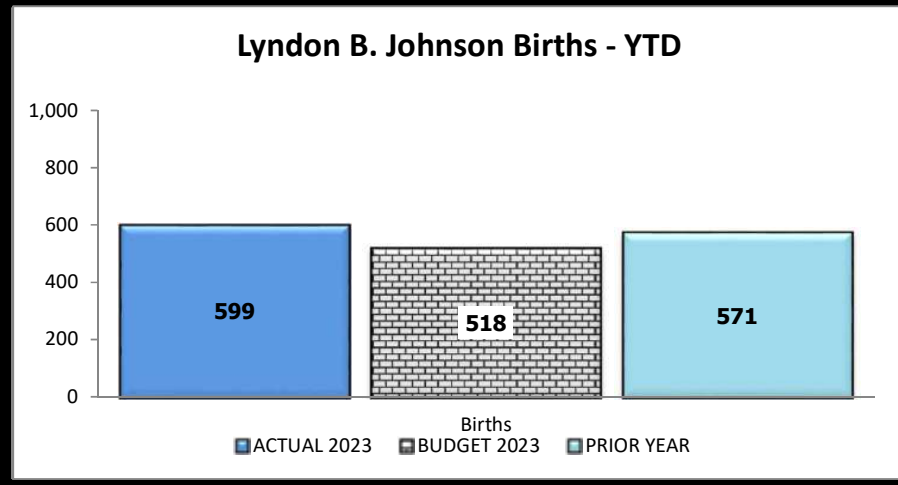
As of the Quarter Ended December 31, 2022

BT Births - Q1			BT Births - YTD			LBJ Births - Q1			LBJ Births - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
908	726	800	908	726	800	599	518	571	599	518	571









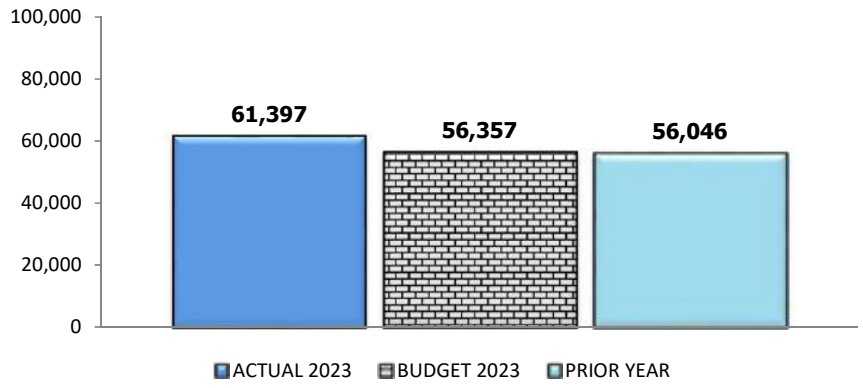
Harris Health System

Statistical Highlights - Adjusted Patient Days

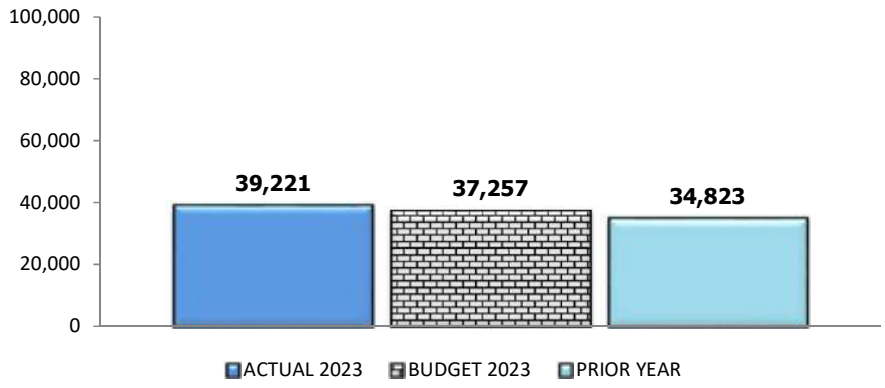
As of the Quarter Ended December 31, 2022

BT Adjusted Patient Days - Q1	BT Adjusted Patient Days - YTD	LBJ Adjusted Patient Days - Q1	LBJ Adjusted Patient Days - YTD
61,397	61,397	39,221	39,221

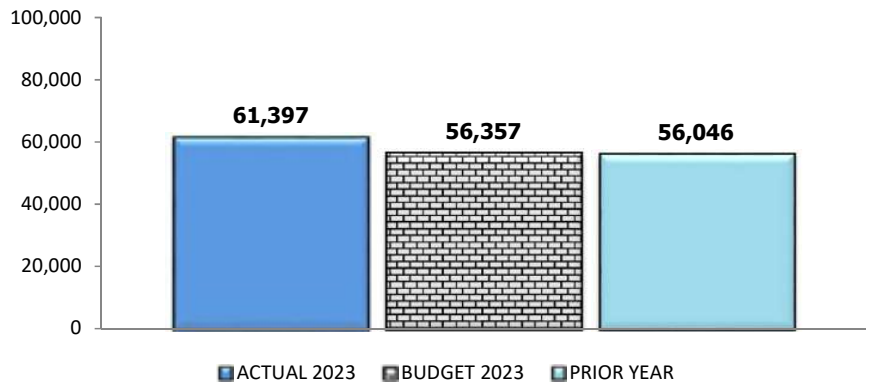
Ben Taub APD - Quarter End



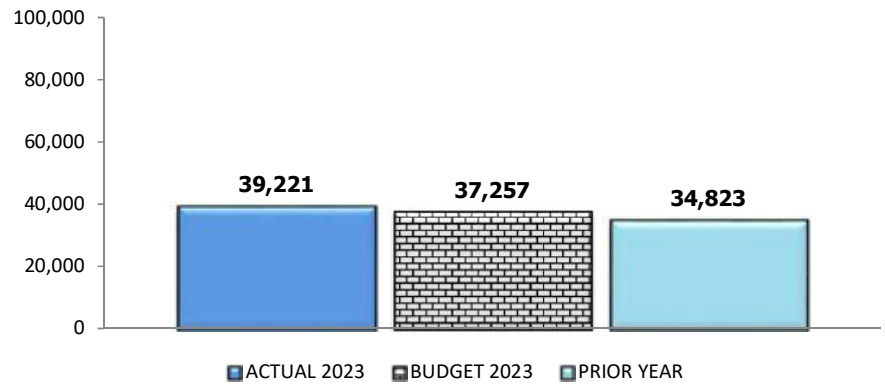
Lyndon B. Johnson APD - Quarter End



Ben Taub APD - YTD



Lyndon B. Johnson APD - YTD



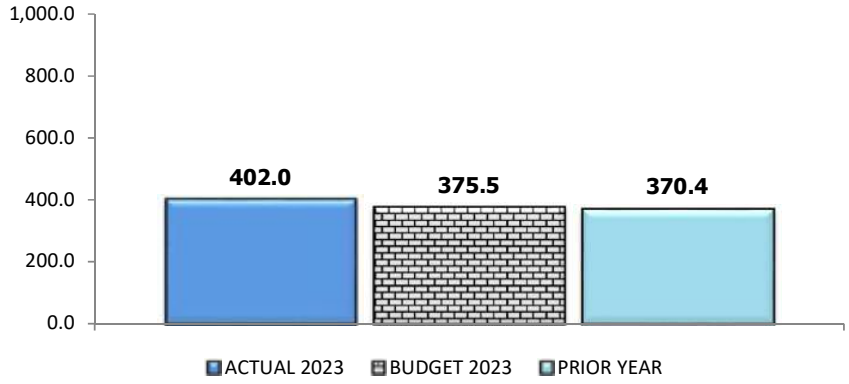
Harris Health System

Statistical Highlights - Average Daily Census (ADC)

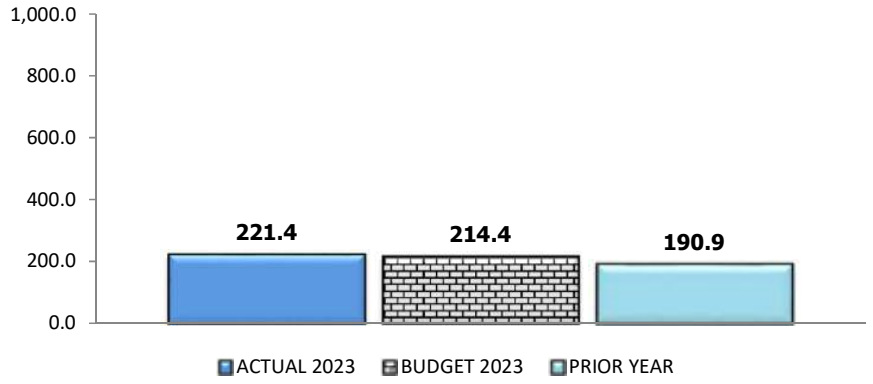
As of the Quarter Ended December 31, 2022

BT Average Daily Census - Q1	BT Average Daily Census - YTD	LBJ Average Daily Census - YTD	LBJ Average Daily Census - YTD
402.0	402.0	221.4	221.4

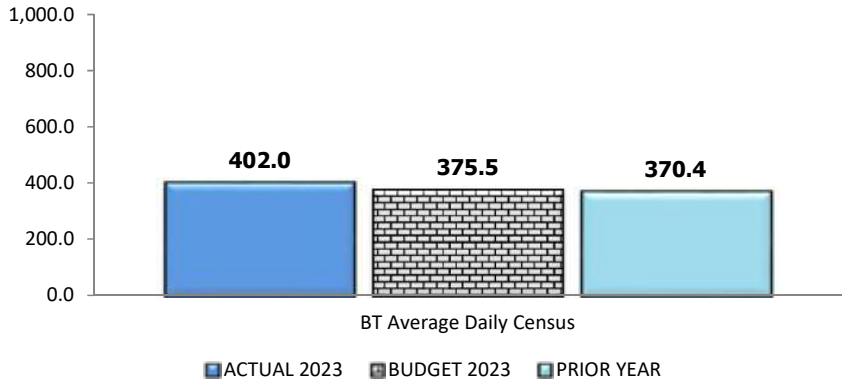
Ben Taub ADC - Quarter End



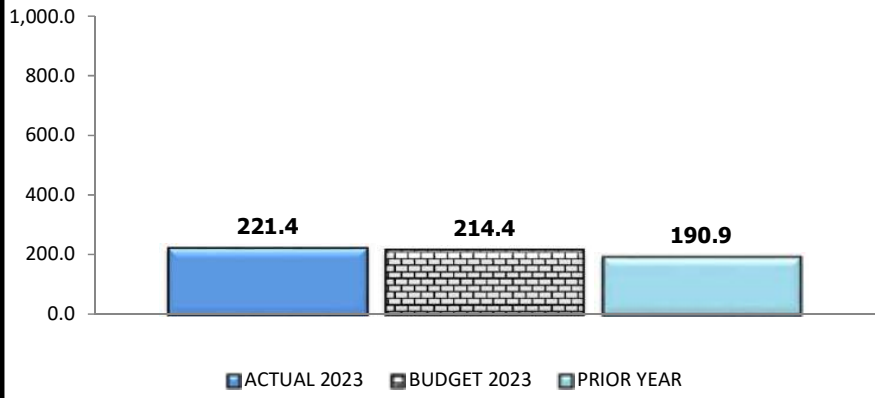
Lyndon B. Johnson ADC - Quarter End



Ben Taub ADC - YTD



Lyndon B. Johnson ADC - YTD



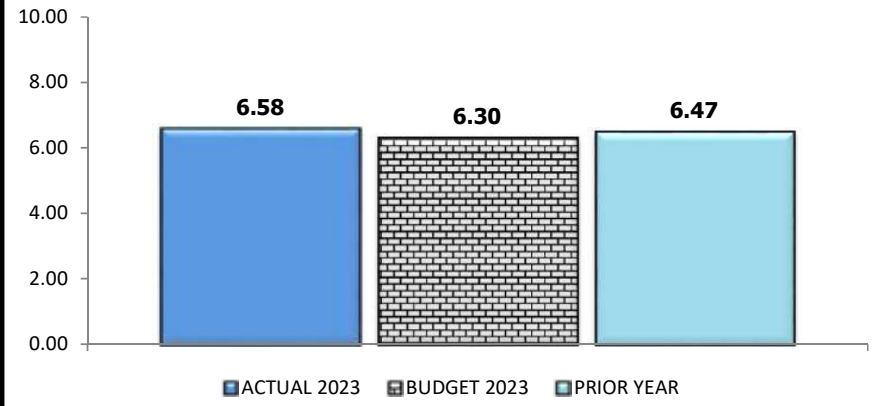
Harris Health System

Statistical Highlights - Inpatient Average Length of Stay (ALOS)

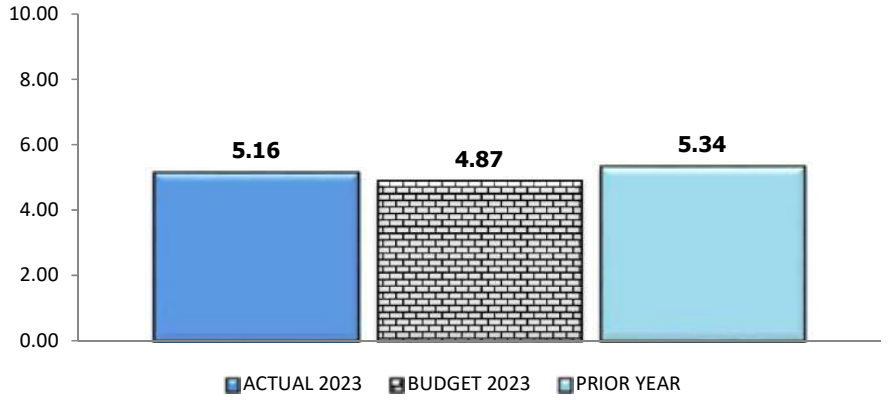
As of the Quarter Ended December 31, 2022

BT Inpatient ALOS - Q1	BT Inpatient ALOS - YTD	LBJ Inpatient ALOS - Q1	LBJ Inpatient ALOS - YTD
6.58	6.58	5.16	5.16

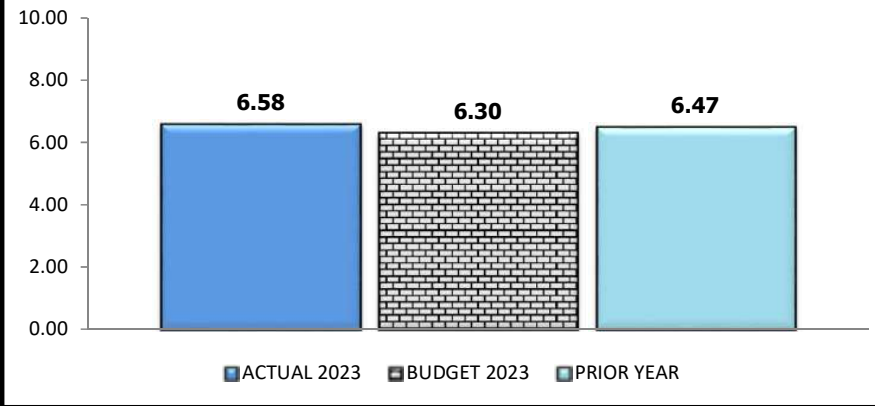
Ben Taub ALOS - Quarter End



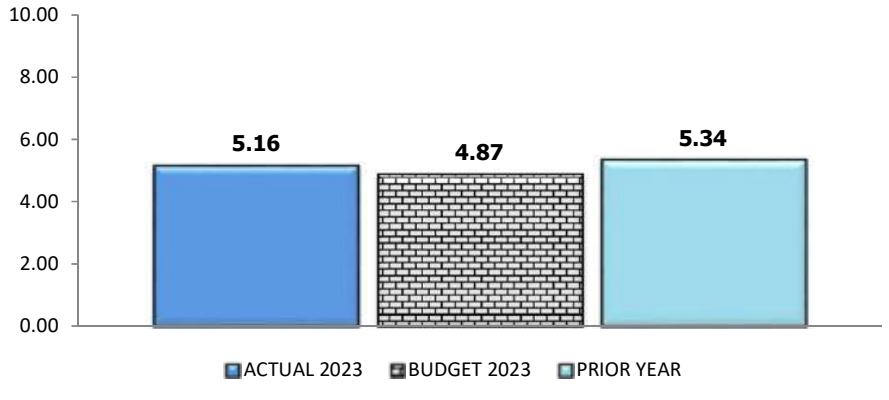
Lyndon B. Johnson ALOS - Quarter End



Ben Taub ALOS - YTD



Lyndon B. Johnson ALOS - YTD

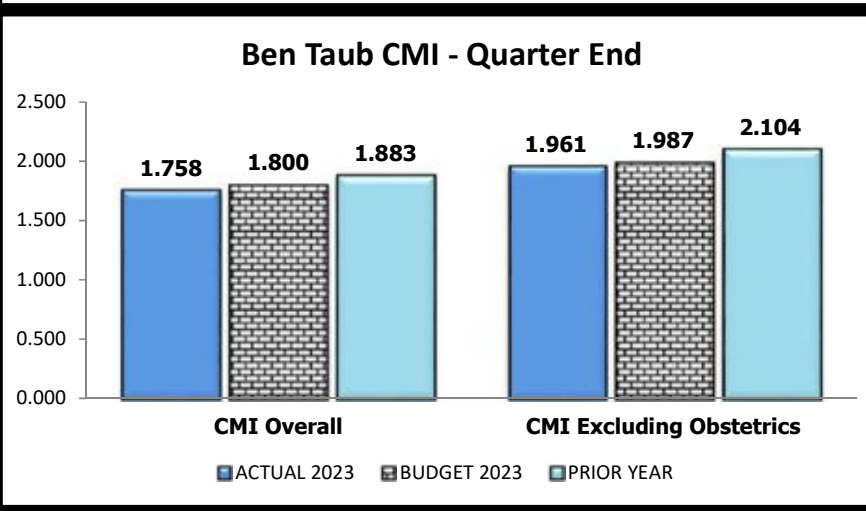


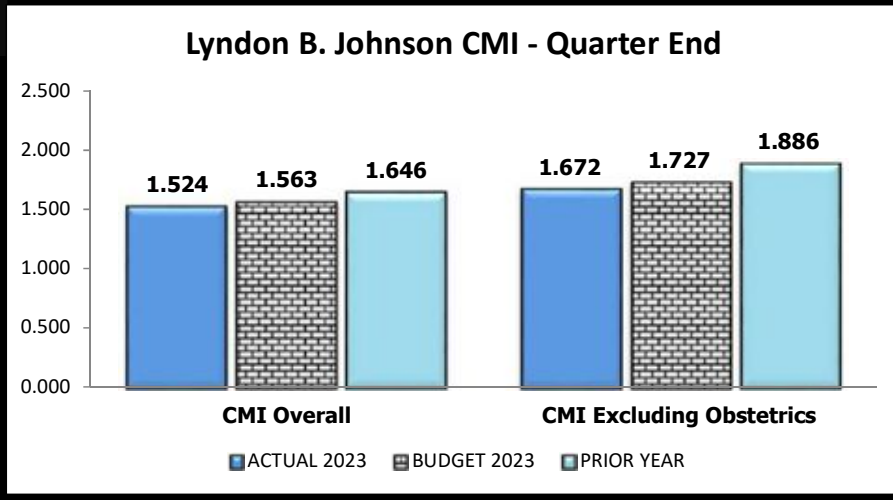
Harris Health System

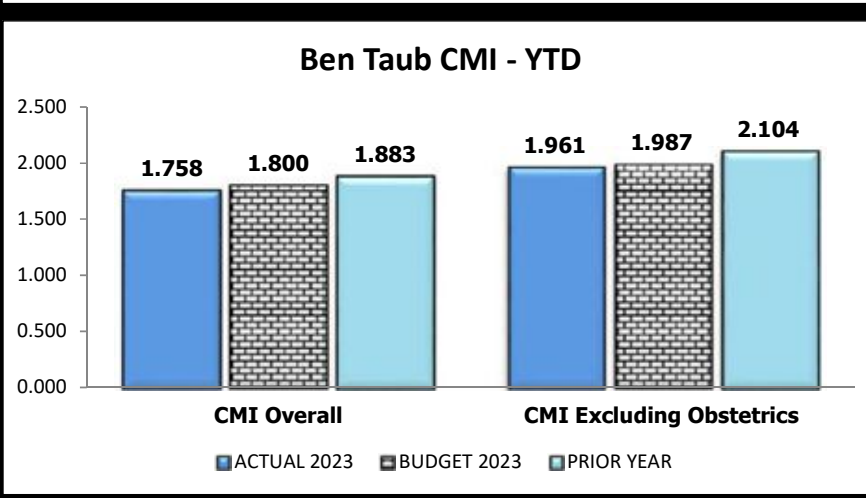
Statistical Highlights - Case Mix Index (CMI)

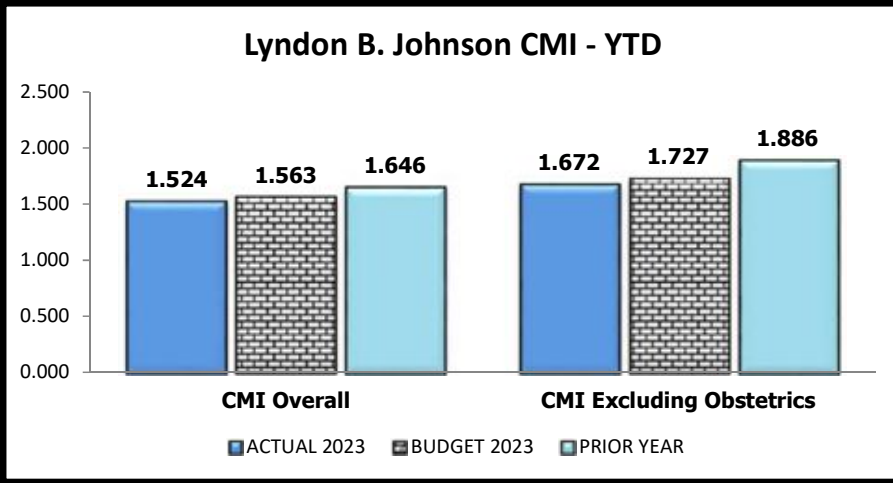
As of the Quarter Ended December 31, 2022

BT Case Mix Index (CMI) - Q1		BT Case Mix Index (CMI) - YTD		LBJ Case Mix Index (CMI) - Q1		LBJ Case Mix Index (CMI) - YTD	
Overall	Excl. Obstetrics	Overall	Excl. Obstetrics	Overall	Excl. Obstetrics	Overall	Excl. Obstetrics
1.758	1.961	1.758	1.961	1.524	1.672	1.524	1.672









Thursday, February 23, 2023

Consideration of Approval to enter into a new lease agreement with University Christian Church for supplemental Quentin Mease Clinic Parking

Administration recommends Board of Trustees approval to enter into a new lease agreement for supplemental parking with the University Christian Church from April 1, 2023 through March 31, 2024, with four (1) one-year renewal options, at an initial annual rate of $20,640.00. This lease will provide necessary additional parking to support staff and patient parking at the Quentin Mease Clinic.

Thursday, February 23, 2023

Harris Health System Legislative Initiatives

Updates Regarding Pending State and Federal Legislative and Policy Issues Impacting Harris Health System.

Harris Health System
4800 Fournace Place
Bellaire, Texas 77401

February 23, 2023
Board of Trustees Monthly Report

Federal Update

Public Health Emergency Declaration:

In a Jan. 30 policy statement, the Biden administration announced plans to end COVID-19 emergency declarations, including the public health emergency (PHE), effective May 11. The PHE was first issued on Jan. 27, 2020, and has been renewed every three months subsequently. This end date would align with the administration's previous commitment to give at least 60 days' notice prior to termination of the PHE.

The phase-out of the PHE at the federal level has minimal impact on Harris Health's telehealth and Hospital at Home initiatives due to previous legislation extending those programs for an additional 24 months. We have nearly identical extension legislation at the state level moving through the legislature.

Two areas of significant fiscal impact will be the Medicaid eligibility enrollment redetermination beginning in April and a reduction in the federal matching percentage affecting Harris Health's Medicaid Supplemental Payments under CHIRP and HARP. The enhanced federal match will be reduced gradually over a period of several quarters. The Texas Health and Human Services Commission is in the process of expediting some of those supplemental payments to take advantage of the enhanced match. There are currently 5.1 million Texans enrolled in Medicaid and 2.7 million of those will have their eligibility redetermined beginning in April over a 7-month period.

Approximately 1.4 million of this group are children who are on Medicaid and are now CHIP eligible. There are also women who have given birth, maintained their eligibility, and will no longer be covered. There is also another segment of this group (estimated around 640,000) who will transition from newborn Medicaid to Children's Medicaid.

The Centers for Medicare & Medicaid Services on Jan. 27 announced a marketplace special enrollment period (SEP) for qualified individuals and their families who become ineligible for Medicaid or CHIP coverage once the continuous enrollment requirement ends and states return to normal Medicaid operations. The SEP runs from March 31, 2023, to July 31, 2024. Eligible

individuals and their families can apply before existing Medicaid or CHIP coverage ends. We will have much more to share on these issues in the coming months.

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ACA Marketplace Enrollment Update:

The Centers for Medicare & Medicaid Services (CMS) reported that 16.3 million Americans signed up for 2023 health insurance coverage through the health insurance marketplaces during the 2023 Marketplace Open Enrollment Period, which ran Nov. 1, 2022, through Jan. 15, 2023 Enrollment numbers include 33 marketplaces using the HealthCare.gov platform and 18 state-based marketplaces that use their own eligibility and enrollment platforms. Enrollment for 2023 has increased 13 percent from this time in 2022.

Total plan selections include 3.6 million people (22 percent of total) who are new to the marketplaces for 2023, and 12.7 million people (78 percent) who had active 2022 coverage and chose selection for 2023 coverage or were automatically reenrolled.

House Committee Appointments:

House leaders in late January finalized rosters for several committees of jurisdiction for issues important to Harris Health, including the committees on Energy and Commerce and Ways and Means and both panels' subcommittees on health.
Key appointments include:

- Rep. Vern Buchanan (R-Fla.) will serve as the chair of the Ways and Means Health Subcommittee (and vice chair of the full panel). He has served on Ways and Means for more than a decade and was the ranking member of the subcommittee last year when Democrats controlled the House. Rep. Lloyd Doggett (D-Texas), who served as subcommittee chair in the previous two congresses, will serve as the new ranking member.
- Rep. Brett Guthrie (R-Ky.) will chair the Energy and Commerce Subcommittee on Health, working alongside Vice Chair Rep. Larry Bucshon (R-Ind.) and Ranking Member Rep. Anna Eshoo (D-Calif.), who chaired the subcommittee in the previous Congress.

Texans on Ways and Means include Jodey Arrington-R of Lubbock, Beth Van Duyne-R of Dallas and Lloyd Doggett-D of Austin.

Membership on Energy and Commerce includes Michael Burgess-R of Dallas, Dan Crenshaw-R of Houston, Randy Weber-R of Beaumont/Harris County and August Pfluger-R of West Texas, Marc Veasy-D of Dallas and Lizzie Fletcher-D of Houston.

Guthrie and Buchanan will together chair the Republicans' Healthy Future Task Force, which has previously developed legislative proposals to address the opioid crisis, modernizing health care, and reducing overall costs.

On the Senate side, Sen. Bernie Sanders (I-VT) will serve as chair of the Committee on Health, Education, Labor and Pensions (HELP). The committee will have a primary role in overseeing the Inflation Reduction Act's allowance for Medicare to negotiate prescription drug costs and has

oversight of the 340B Drug Pricing Program. Sen. Bill Cassidy (R-LA) will serve as HELP's ranking member.

Also in the Senate, Senate Finance Chair Ron Wyden (D-Ore.) has outlined his plan to expand his 2018 bipartisan legislation to allow Medicare to pay for nonmedical services for people with chronic conditions. This would constitute a major win for telehealth and at-home care Such as hospital at home and would impact most Medicare beneficiaries, two-thirds of whom have at least one chronic condition. He told reporters in late January that he is looking to move legislation in this Congress that targets pharmacy benefit managers, who have "lost much of their original historical foundation." He also has formally announced an aggressive legislative package to address health workforce shortages.

State Update

State Budget:

On January 18, both the House and Senate filed their respective appropriations bills. The bills maintain funding for Medicaid add-on payments for safety net, rural hospitals, and trauma hospitals; reinforce the commitment to the state's health care workforce; and fund key loan repayment programs that will help maintain mental health access. Attached is a detailed comparison of the proposed budget prepared by the Texas Hospital Association.

In both bills, overall Medicaid spending would increase by $4 billion per year from the 2022-23 budget: $38.4 billion for 2024 and $38.5 billion for 2025. The Texas Health and Human Services Commission Rider 8 would keep funding level for several key add-on payments, including:

- $150 million per year (all funds) for safety-net add-ons;
- $180 million per year for trauma add-ons; and
- $30 million annually for rural outpatient add-ons.

A separate HHSC budget rider would keep funding level for Medicaid add-on payments for rural labor and delivery services: $8 million in each year of the budget.

Behavioral health allocations contained in the budget proposals beyond the sizable boost to the Loan Repayment Program for Mental Health Professionals ($28 million over the biennium, a $26 million increase from the current budget) include riders which would:

- Allocate $126 million per year to maintain state psychiatric bed capacity and add 234 inpatient beds (85 in rural communities and 149 in urban areas);
- Provide increased funds for grant programs for community mental health grants;
- Supply increased funds for grants for reduction of recidivism, arrest and incarceration among people with mental illness;

- Provide all-new funding for an innovation grant program for community-based mental health initiatives to provide access to care; and
- Continue directing funds for community mental health services to be used toward obtaining additional federal funds via the Medicaid 1115 Transformation Waiver.

Both budgets differ in some details, both versions include:

- $15 billion for property tax relief,
- $36.1 billion for the Texas Education Agency,
- $1.8 billion for pay increased for state employees, and
- $4.8 billion for Boarder Security.

Budget Surplus:

On January 9, Comptroller Hager announced the state had a $32.7 billion surplus, which is more than is allowed to be spent under the constitutional spending limit (CSL). Leadership is also looking at innovative ways to ensure spending above the CSL. Spending under the CSL cannot exceed the rate of inflation combined with population growth.

The Comptroller urged the Legislature and the Governor to emphasize the following areas in their respective budget negotiations:

- Port and Water Infrastructure;
- Broadband Connectivity;
- Power Grid Reliability;
- Salary increases for State Employees, Teachers and Nurses; and
- Meaningful property tax reduction to ease the burden due to inflation, economic uncertainty and rising housing costs.

Committee Appointments:

In late January, the Lt. Governor did make his committee appointments. Harris County members on key committees relevant to Harris Health include:

- Senator Paul Bettencourt – Chair of Local Government and member on Criminal Justice and finance
- Senator Joan Huffman – Chair of Senate Finance and a member on Criminal Justice
- Senator Borris Miles – Member of Criminal Justice, Education, Finance, and Health and Human Services
- Senator John Whitmire – Chair of Criminal Justice and member of Senate Finance.

As of the first week of February, the Speaker has not announced committee assignments. The expectation is that those announcements will occur sometime before mid-February.

Indirect Medical Education Medicaid Add-On Payments: Last Session, SB 1921 passed and was signed into law which directed HHSC to update the IME add on payment to teaching hospitals. With no appropriations for the current biennium, HHSC did not implement the law.

Harris Health is working with Doctors Hospital Renaissance - Rio Grande Valley seeking an additional appropriation of $4.3 million to include in the budget to generate an $11.4 million all funds program. Harris Health would benefit through an additional $3.6 million in Medicaid reimbursement.

Representative Armando Walle is willing to champion this initiative if he is re-appointed to the House Appropriations Committee. Last session he was on the committee and was named as a conferee.

Nursing Workforce Shortage:

Jackie Brock and the Teaching Hospitals of Texas continue to meet with legislative members and leaders to move forward with an aggressive agenda to mitigating existing challenges surrounding nursing and other healthcare workforce shortage issues through innovative programs and appropriations.

Police Force Legislation Update:

Subsequent to the Board of Trustee meeting in January, we are seeking sponsors t for legislation to be introduced by late February or early March allowing Harris Health to operate a police force. More details will be made available in the March Board report.

Mandatory MCO Contracts:

Legislation has been filed in the Senate and is anticipated to be filed in the House that would repeal mandatory contracts for health plans owned by hospital districts. More details will come in the March Board report.

2024-2025 General Appropriations Act		
	HB 1 (as filed)	**SB 1 (as filed)**
Medicaid		
Total Medicaid Spending	**All funds:** $38.4 billion in 2024 and $38.5 billion in 2025. $4 billion / year increase from previous biennium. **General revenue:** $15.0 billion in 2024 and $15.1 billion in 2025	**All funds:** $38.4 billion in 2024 and $38.5 billion in 2025. $4 billion / year increase from previous biennium. **General revenue:** $15.0 billion in 2024 and $15.1 billion in 2025
Safety-net, trauma, and rural hospital add-ons	HHSC Rider 8 provides level funding to last biennium. • $180 million AF (5111/FF) annually for trauma add-on • $150 million AF (GR/5111/FF) annually for safety-net add-on • $30 million AF (GR/FF) annually for rural outpatient • $103.8 million AF (GR/FF) in 2024 and $110.0 million AF (GR/FF) in 2025 for rural inpatient inflation trend, rural inpatient rate maintenance, and additional rural services 5111 appropriations to trauma and safety net add-ons are reduced by approx. $26.5 million annually and replaced with equivalent amount of GR. HHSC Rider 16 provides level funding for $500 Medicaid add-on payment for labor and delivery services provided by rural hospitals. $8 million AF (GR/FF) annually.	HHSC Rider 8 provides level funding to last biennium. • $180 million AF (5111/FF) annually for trauma add-on • $150 million AF (GR/5111/FF) annually for safety-net add-on • $30 million AF (GR/FF) annually for rural outpatient • $103.8 million AF (GR/FF) in 2024 and $110.0 million AF (GR/FF) in 2025 for rural inpatient inflation trend, rural inpatient rate maintenance, and additional rural services 5111 appropriations to trauma and safety net add-ons are reduced by approx. $26.5 million annually and replaced with equivalent amount of GR. HHSC Rider 16 provides level funding for $500 Medicaid add-on payment for labor and delivery services provided by rural hospitals. $8 million AF (GR/FF) annually.

Benchmarks for Managed Care Organizations	Removes rider requiring HHSC to develop quality of care and cost efficiency benchmarks for managed care organizations participating in Medicaid and CHIP. (MCO benchmarks report completed Aug. 2022)	Removes rider requiring HHSC to develop quality of care and cost efficiency benchmarks for managed care organizations participating in Medicaid and CHIP. (MCO benchmarks report completed Aug. 2022)
Supplemental Payment Reporting	HHSC Rider 15 directs quarterly reporting on supplemental payments, including DSH, UC, and directed payments funded nonfederally with IGT: - Appropriates IGT to HHSC for matching funds to offset their administrative costs for supplemental payment programs *[section (d)]* - Includes 42.0 FTE to administer 1115 waiver directed and supplemental payment programs *[section (h)]* - Leverages existing reports (CMS-37 and -64) for payments/expenditures by provider/recipient and requires HHSC to provide a copy of the annual independent audit of DSH and UC to select leadership offices *[sections (a), (b), (e)]* - Removes *section (j)* requiring a report on funding impact by provider type of DSRIP discontinuation and implementation of replacement programs. (DSRIP transition report was completed Oct. 2022)	HHSC Rider 15 directs quarterly reporting on supplemental payments, including DSH, UC and directed payments funded nonfederally with IGT: - Appropriates IGT to HHSC for matching funds to offset their administrative costs for supplemental payment programs *[section (d)]* - Includes 42.0 FTE to administer 1115 waiver directed and supplemental payment programs *[section (h)]* - Leverages existing reports (CMS-37 and -64) for payments/expenditures by provider/recipient and requires HHSC to provide a copy of the annual independent audit of DSH and UC to select leadership offices *[sections (a), (b), (e)]* - Removes *section (j)* requiring a report on funding impact by provider type of DSRIP discontinuation and implementation of replacement programs. (DSRIP transition report was completed Oct. 2022)
Cost-containment	HHSC Rider 21 directs HHSC to save $350 million GR through cost containment initiatives, including those related to fraud, waste, and abuse, and to maximizing federal flexibility in Medicaid under Government Code chapter 537 (Medicaid Reform Waiver). Removes direction to include applying to CMS for IMD exclusion waiver, insourcing contract services,	HHSC Rider 21 directs HHSC to save $350 million GR through cost containment initiatives, including those related to fraud, waste, and abuse, and to maximizing federal flexibility in Medicaid under Government Code chapter 537 (Medicaid Reform Waiver). Removes direction to include applying to CMS for IMD exclusion waiver, insourcing contract services, encouraging

	encouraging telemedicine/telehealth utilization as required cost containment initiatives.	telemedicine/telehealth utilization as required cost containment initiatives.
Medicaid program efficiencies	Removes rider requiring HHSC to develop initiatives to create program efficiencies in Medicaid and CHIP managed care and fee-for-service delivery, including at minimum streamlining Medicaid provider enrollment, managed care enrollment/disenrollment, reducing paper waste, and modernizing electronic communication including allowing MCOs to communicate with members by text message.	Removes rider requiring HHSC to develop initiatives to create program efficiencies in Medicaid and CHIP managed care and fee-for-service delivery, including at minimum streamlining Medicaid provider enrollment, managed care enrollment/disenrollment, reducing paper waste, and modernizing electronic communication including allowing MCOs to communicate with members by text message.
Hospital Reimbursement	Maintains HHSC Rider 20 stating no funds appropriated for payment of inpatient hospital fees and charges in Medicaid may be expended, except under prospective payment claims system and within efficiency, reasonableness, and quality parameters.	Maintains HHSC Rider 20 stating no funds appropriated for payment of inpatient hospital fees and charges in Medicaid may be expended, except under prospective payment claims system and within efficiency, reasonableness, and quality parameters.
Improving access to pediatric services	Removes rider (formerly Rider 29) directing HHSC to study whether rate increases for services provided to children ages 0-3 in any setting by a physician result in savings to Medicaid through reduced emergency room visits, hospital admissions, NICU stays, and other access to care related savings. Removed rider included permission to implement a pilot if rate increases can be implemented in cost neutral manner. In Rider 29 report completed Dec. 2022, HHSC did not determine rate increases were proven effective to reduce costs and could not implement pilot in cost neutral manner.	Removes rider (formerly Rider 29) directing HHSC to study whether rate increases for services provided to children ages 0-3 in any setting by a physician result in savings to Medicaid through reduced emergency room visits, hospital admissions, NICU stays, and other access to care related savings. Removed rider included permission to implement a pilot if rate increases can be implemented in cost neutral manner. In Rider 29 report completed Dec. 2022, HHSC did not determine rate increases were proven effective to reduce costs and could not implement pilot in cost neutral manner.

Behavioral Health		
1115 Waiver Payments	Maintains HHSC Rider 31 directing GR funds for community mental health services be used to the extent possible to draw down additional funds via the 1115 Transformation Waiver. Report on efforts to leverage these funds due Dec. 1 of each fiscal year.	Maintains HHSC Rider 31 directing GR funds for community mental health services be used to the extent possible to draw down additional funds via the 1115 Transformation Waiver. Report on efforts to leverage these funds due Dec. 1 of each fiscal year.
Community mental health grant program	HHSC Rider 36: • $10 million GR per year for veteran/families mental health programs • $40,000,000 (increase) in GR per year for grant program to reduce recidivism, arrest, and incarceration among individuals with mental illness • $27,500,00 (increase) in GR per year for community mental health grant program • $12,500,00 in GR per year for Healthy Community Collaboratives • (new) $7,500,00 in GR per year for an innovation grant program to support a variety of community-based initiatives that improve access to care for children and families	HHSC Rider 36: • $10 million GR per year for veteran/families mental health programs • $40,000,000 (increase) in GR per year for grant program to reduce recidivism, arrest, and incarceration among individuals with mental illness • $27,500,00 (increase) in GR per year for community mental health grant program • $12,500,00 in GR per year for Healthy Community Collaboratives • (new) $7,500,00 in GR per year for an innovation grant program to support a variety of community-based initiatives that improve access to care for children and families
Inpatient community psychiatric beds	HHSC Rider 40: Purchased Psychiatric Beds. $126,000,000 per year in Strategy G.2.2 to maintain existing capacity and for 234 additional state-purchased inpatient psychiatric beds, including 85 beds in rural communities and 149 beds in urban communities	HHSC Rider 40: Purchased Psychiatric Beds. $126,000,000 per year in Strategy G.2.2 to maintain existing capacity and for 234 additional state-purchased inpatient psychiatric beds, including 85 beds in rural communities and 149 beds in urban communities

	Inpatient Capacity Expansion: $29,500,000 per year in Strategy G.2.2, to contract for an additional 150 competency restoration beds.	Inpatient Capacity Expansion: $29,500,000 per year in Strategy G.2.2, to contract for an additional 150 competency restoration beds.
IMD Exclusion	Not included	Not included
State Hospitals	HHSC Rider 40: $47,473,261 per year in Strategy G.2.1, Mental Health State Hospitals, to maintain salary increases for frontline staff at HHSC facilities. Rider 40: State Hospital Contracted Beds. $10,200,000 per year in Strategy G.2.1, to expand contracted bed capacity by 40 beds Rider 40: State Hospital Transition Teams. $2,500,000 per year in Strategy G.2.1, to establish state hospital transition teams to support individuals statewide who are at risk of state hospital readmission by providing coordination and support to address mental health needs in the community. (2) Step-Down Housing Expansion. $8,500,000 per year in Strategy D.2.1, Community Mental Health Services (MHS) for Adults, to expand step-down housing programs statewide to identify, assess, and transition patients with acute mental health and/or medical needs from hospitals to community settings with appropriate supports	HHSC Rider 40: $47,473,261 per year in Strategy G.2.1, Mental Health State Hospitals, to maintain salary increases for frontline staff at HHSC facilities. Rider 40: State Hospital Contracted Beds. $10,200,000 per year in Strategy G.2.1, to expand contracted bed capacity by 40 beds Rider 40: State Hospital Transition Teams. $2,500,000 per year in Strategy G.2.1, to establish state hospital transition teams to support individuals statewide who are at risk of state hospital readmission by providing coordination and support to address mental health needs in the community. (2) Step-Down Housing Expansion. $8,500,000 per year in Strategy D.2.1, Community Mental Health Services (MHS) for Adults, to expand step-down housing programs statewide to identify, assess, and transition patients with acute mental health and/or medical needs from hospitals to community settings with appropriate supports
Prescription monitoring program	$10.8 million, an increase of $5.8 million over prior biennium	$10.8 million, an increase of $5.8 million over prior biennium

	(new) Board of Pharmacy Rider 5 directs board to spend $7.4 million to implement Narxcare and statewide PMP integration	(new) Board of Pharmacy Rider 5 directs board to spend $7.4 million to implement Narxcare and statewide PMP integration
Behavioral Health Misc.	HHSC Rider 39. Outpatient Integrated Care Clinic Project. (a) Out of amounts appropriated above in Strategy G.2.2, Mental Health Community Hospitals, HHSC shall expend $6,000,000 in GR in fiscal year 2024 to partner with an acute care hospital with inpatient psychiatric child and adolescent beds in Jefferson County, Texas, to establish an integrated care clinic utilizing the Collaborative Care Model (CoCM) for behavioral health integration, where staff will serve as single point of contact to coordinate and support client needs with community partners	HHSC Rider 39. Outpatient Integrated Care Clinic Project. (a) Out of amounts appropriated above in Strategy G.2.2, Mental Health Community Hospitals, HHSC shall expend $6,000,000 in GR in fiscal year 2024 to partner with an acute care hospital with inpatient psychiatric child and adolescent beds in Jefferson County, Texas, to establish an integrated care clinic utilizing the Collaborative Care Model (CoCM) for behavioral health integration, where staff will serve as single point of contact to coordinate and support client needs with community partners
Maternal Health		
Healthy Texas Women, Family Planning, & Breast and Cancer Services	HHSC Rider 46: HTW Plus – 2024: $4,740,087 AF; 2025: $4,902,986 AF (assuming HHSC receives CMS approval for the waiver to draw down federal funds) HTW: $268,618,909 AF for biennium ($38 million increase) Family Planning Program: $134,965,341 AF for biennium ($47 million increase) Breast & Cervical Cancer Services: $11,809,100 per year (approx. level funding)	HHSC Rider 46: HTW Plus – 2024: $4,740,087 AF; 2025: $4,902,986 AF (assuming HHSC receives CMS approval for the waiver to draw down federal funds) HTW: $268,618,909 AF for biennium ($38 million increase) Family Planning Program: $134,965,341 AF for biennium ($47 million increase) Breast & Cervical Cancer Services: $11,809,100 per year (approx. level funding)

Maternal Mortality and Morbidity & Texas AIM	DSHS Rider 21 Maternal Mortality and Morbidity. Amounts appropriated above to DSHS in Strategy B.1.1, Maternal and Child Health, include $3,500,000 in All Funds and 8.0 FTEs in each fiscal year (level funding)	DSHS Rider 21 Maternal Mortality and Morbidity. Amounts appropriated above to DSHS in Strategy B.1.1, Maternal and Child Health, include $3,500,000 in All Funds and 8.0 FTEs in each fiscal year (level funding)
Public Health		
COVID-19 Reporting Requirements	Maintains HHSC Rider 119 Reporting Requirement: COVID-19 Funding to Nursing Facilities and Hospitals. HHSC reports on uses of COVID-19-related Federal Funds, including Provider Relief Funds, provided directly to nursing facilities and hospitals contracting with HHSC since the beginning of the public health emergency. Any facilities that do not provide information requested by the commission necessary to complete the report shall be identified in the report. HHSC submits the report to the Office of the Governor, Legislative Budget Board, and any appropriate standing committee in the Legislature on December 1st and June 1st of each fiscal year.	Maintains HHSC Rider 119 Reporting Requirement: COVID-19 Funding to Nursing Facilities and Hospitals. HHSC reports on uses of COVID-19-related Federal Funds, including Provider Relief Funds, provided directly to nursing facilities and hospitals contracting with HHSC since the beginning of the public health emergency. Any facilities that do not provide information requested by the commission necessary to complete the report shall be identified in the report. HHSC submits the report to the Office of the Governor, Legislative Budget Board, and any appropriate standing committee in the Legislature on December 1st and June 1st of each fiscal year.
EMS/Trauma/Regional Advisory Councils	Total amount of trauma funds from all accts. for biennium (5007, 512, 5108, 5111): $188,935,847 DSHS Strategy B.2.1 EMS and Trauma Care Systems receives approx. $97 million per year. Decrease from approx. $124 million per year in prior biennium. Approx. $86 million per year in 5111 transfers to DSHS, a decrease from approx. $113 million per year in prior biennium. 85% of 5111 funds appropriated to DSHS are transferred to HHSC to fund Medicaid SDA	Total amount of trauma funds from all accts. for biennium (5007, 512, 5108, 5111): $188,935,847 DSHS Strategy B.2.1 EMS and Trauma Care Systems receives approx. $97 million per year. Decrease from approx. $124 million per year in prior biennium. Approx. $86 million per year in 5111 transfers to DSHS, a decrease from approx. $113 million per year in prior biennium. 85% of 5111 funds appropriated to DSHS are transferred to HHSC to fund Medicaid SDA add-on

	add-on payments; these amounts decrease from approx. $99 million per year in prior biennium to $72 million per year in 2024-2025. To cover the insufficient funds an equal amount of GR is appropriated to HHSC to fully fund add-on payments. *(See: Medicaid safety-net, trauma, and rural hospital add-ons, p. 2)*	payments; these amounts decrease from approx. $99 million per year in prior biennium to $72 million per year in 2024-2025. To cover the insufficient funds an equal amount of GR is appropriated to HHSC to fully fund add-on payments. *(See: Medicaid safety-net, trauma, and rural hospital add-ons, p. 2)*
Hepatitis C antiviral treatment	Rider deleted	Rider deleted
HIV medications	GR for HIV Services Account No. 8005: $53.2 million annually	GR for HIV Services Account No. 8005: $53.2 million annually
Article XI		
Art XI and Contingency Riders of Interest	[TBD]	[TBD]
Workforce		
Graduate Medical Education	$233.1 million for GME, with an increase of $34 million for GME slots and level funding for planning grants	$233.1 million for GME, with an increase of $34 million for GME slots and level funding for planning grants
Loan Repayment Programs	$29.5 million for Physician Education Loan Repayment Program, level with prior budget $28 million for Mental Health Loan Repayment Program, an increase of $25.9 million from prior biennium	$29.5 million for Physician Education Loan Repayment Program, level with prior budget $28 million for Mental Health Loan Repayment Program, an increase of $25.9 million from prior biennium $7 million for Nurse Faculty Loan Repayment Program, an increase of $4.1 million from prior biennium

	$7 million for Nurse Faculty Loan Repayment Program, an increase of $4.1 million from prior biennium	
Professional Nursing Shortage Reduction Program	$46.8 million, an increase of $27.9 million from prior biennium	$46.8 million, an increase of $27.9 million from prior biennium
Texas Workforce Commission Programs	$37.7 million for the Skills Development Fund (grant funds for upskilling of businesses' workforces) $33 million for Apprenticeship programs $30.7 million for Jobs Education for Texas program (development of career and technical education courses or programs that lead to a license, certificate, or post-secondary degree in a high-demand occupation)	$37.7 million for the Skills Development Fund (grant funds for upskilling of businesses' workforces) $33 million for Apprenticeship programs $30.7 million for Jobs Education for Texas program (development of career and technical education courses or programs that lead to a license, certificate, or post-secondary degree in a high-demand occupation)

Thursday, February 23, 2023

Consent Reports and Updates to Board

Harris Health System Council-At-Large Meeting Minutes:

- January 2023

MINUTES OF THE HARRIS HEALTH SYSTEM COUNCIL AT LARGE COMMITTEE
January 9, 2023

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
I. Call to Order	The WebEx meeting was called to order by Fadine Roquemore at 5:00pm. ***Council Members in Attendance:*** • Baytown: Pamela Breeze • Casa: Daniel Bustamante • Gulfgate: Patricia Shepherd, Teresa Recio • Homeless: Ross Holland • LBJH: Velma Denby • MLK: Fadine Roquemore • Vallbona: Cynthia Goodie ***Harris Health System Attendees:*** Dr. Esmaeil Porsa, Louis Smith, Jennifer Small, Binta Baudy, Sunny Ogbonnaya, Teong Chai, Jon Hallaway, Omar Reid, Dr. Fareed Khan, Gloria Glover, Lydia Rogers, Lady Barrs, Heena Patel, Leslie Gibson, Sarah Rizvi, Dwanika Walker, Melvin Prado, Candace Jones, Tracey Burdine, Craig Johnson, Nina Jones ***Board Members in Attendance:*** Alicia Reyes	
II. Moment of Silence	Moment of Silence observed.	
III. Approval of Minutes	Motion granted and second to approve November Minutes as written.	
IV. Council Reports	**Acres Home – No Representative** **Baytown – Pamela Breeze** • At this time Baytown does not have a Nutritionist. • The Mammography Unit is being repaired. • There is one vacant full time Psychiatry position. Baytown currently has a part-time Psychiatrist that works one day a week in the clinic and 4 days a week via telephone. **Casa de Amigos – Daniel Bustamante** • The Council was not scheduled to meet in December. • The clinic is functioning well with the remodeling. I received my packet on Saturday.	

MINUTES OF THE HARRIS HEALTH SYSTEM COUNCIL AT LARGE COMMITTEE
January 9, 2023

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	Council Report *(continued)* • Our next meeting is the 4th Tuesday of this month. **Gulfgate – Patricia Shepherd, Teresa Recio** • The council met today. 90% of the centers goals have been met. We have new hires on board. • On 12/21, Santa Claus visited the children. Gifts were donated by the staff and council members. The children took Pictures with Santa. It was very appreciated by the staff and patients. We also had an opportunity to recruit. • Vacant positons: 1.85 Family Practice and 1 Podiatrist. • Gulfgate will host its first Coat Drive for men women and children. Coat donations are being accepted through January 20th. They will be donated to the homeless community. • In our meeting today, we received information about Pharmacy resuming outpatient prescription co-pay collection effective January 1st, 2023. Self-Pay patients will no longer receive waivers. • We received notification in English and Spanish about the Same Day Clinics. **Homeless – Ross Holland** • The Council met on January 3rd. Due to work conflict, I was not able to attend the meeting. I do not have a report at this time. **MLK – Fadine Roquemore** • I will begin recruiting people to serve on the council. Each clinic needs to have 15 people on the council. Times have changed partially because of the virus. But I will try to get more to attend. This is my concern, recruiting members. **Thomas Street – No Representative** **Vallbona – Cynthia Goodie** • On the Primary Care Scorecard we are at 56% which is in the red under 3rd new appointment availability. Under 3rd return appointment availability for MH we are at 35%.	

MINUTES OF THE HARRIS HEALTH SYSTEM COUNCIL AT LARGE COMMITTEE
January 9, 2023

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	Council Report *(continued)* **Ben Taub Hospital – Candace Jones** • Ms. Jones reported Ms. Helen was not able to join the call today. **Lyndon B. Johnson Hospital – Velma Denby** • No new information to report at this time. *Mrs. Roquemore thanked everyone for their report.*	
V. Old Business	**No Old Business to review.**	
VI. Updates	**No new updates.**	
VII. Community Medicine	**Dr. Fareed Khan** ***HEDIS Scorecard Data Reporting Period (see attached):*** • Updated HEDIS measures not available at this time. **Questions/Comments**: Mrs. Reyes asked if there's any way the data can be sent out by mail to the council with an explanation. *Dr. Small commented in the Quality Review meeting earlier this month, there were some adjustments made to look at our internal goals. We just received that update earlier today which reflects last month's activity. We can mail that information out.* *Dr. Khan reported COVID is spreading in the community. The hospitals are getting full again with patients. 10 to 20% of patients are testing positive. It's showing up in the sewage. Testing is showing it's on the rise all across Houston. The new Omicron B5 variant is spreading throughout the United States. The vaccines do protect against this one. People should be booster. Influenza has increased slightly. We saw a peak in RSV. Everyone should be careful. Wear your mask and social distance.*	Updated HEDIS report will be mailed to the CAL members.

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	Community Medicine *(continued)* ***Primary Care Operations Scorecard (see attached):*** • All clinics are functioning well. We are operating 20% or less in no show rate. Historically, it was up 30%. • Established patients-MH & No Show goals are met. Cycle Time is below the 75% mark. There are some clinics with challenges due to construction and other factors that are beyond our control. • Availability is doing well. Northwest has a little bit of a challenge with OB availability. • New patient appointment is also doing well. Physicians are working hard at seeing patients on time and keeping the clinic on time.	PCOS December 22.pdf
VIII. Administration	**Dr. Esmaeil Porsa, President/CEO** • Emphasized the importance is getting the booster. He stated the Bivalent vaccine is highly effective. • Hospital numbers have increased. This was to be expected because of holiday gatherings. • The rate of increase has a slowed down. This winter is not expected to be as bad as last winter. During the summer we reached a high of 62, it looks like this winter is going to be a repeat of the summer. Again, this can be prevented by getting the booster. If you have had the COVID disease itself and it's been six weeks, you can get the booster. • Flu is still an issue and so is RSV. But those numbers seem to be declining. • We continue to onboard nursing staff just like every hospital system. We are facing staffing shortages. We appreciate everything you all do to help us.	

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	Administration *(continued)* **Questions/Comments**: Mr. Bustamante thanked Dr. Porsa for his leadership. He stated, we know its difficult times. A lot of people are fearful and not getting vaccinated. If you can suggest anything we can do please let us know. Mrs. Recio asked how many vaccines are we supposed to take. *Dr. Porsa responded, if you have received 4 shots, you are close to being fully vaccinated.* **Dr. Jennifer Small, Executive Vice President of Ambulatory Care Service** • Thank you to those of you who were able to come to our holiday dinner last month. We had a really good time. It was wonderful meeting new leaders and new members at some of the health centers. • I would like to welcome on the call Mrs. Binta Baudy, she is our new Ambulatory Care Service Vice President. *Mrs. Baudy introduced herself and gave a brief background report. She stated, she's looking forward to working with the team.* • Updates: We are in the process of promoting the Same Day Clinics. Which provides care for patients who don't necessarily need an appointment but walk in and see a doctor or have a virtual visit. *Later this month the Homeless program will have their triannual site visits. Many of the funds we receive through grant dollars comes from HRSA. Every three years, HRSA does a full scale review of our healthcare for the homeless program. They will be visiting January 31st. *Staff recruitment has been difficult but our HR team has been working with us to ensure we fill our positions. I am pleased to report at our Ambulatory Surgery Center (day surgery facility) we are fully staffed in terms of being able to utilize all of our OR's at the ambulatory surgery centers.	

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	Administration *(continued)* • We thank Omar Reid and his team for the work they've done assisting ACS. **Questions/Comments**: None. **Sunny Ogbonnaya, Director, Ambulatory Pharmacy** • Harris Health resumed outpatient prescription co-pay activates effective January 1, 2023. Please recall, that during the COVID pandemic, we opted not to collect copays from our patients for their prescription. An exception was also granted to patients on office based addiction program. • In the month of December we filled 177,786 prescriptions. 76% of them (134,555) were delivered to our patient's home. We thank all of our patients for the opportunity to provide this home delivery service. We wish to encourage all of our patients to please take advantage of our prescription home delivery service for the continuity of care and convenience. • We received and processed 47,135 prescription refill request from MyHealth, this number represents 67% of all of the refill request received for the month of December. We thank all of our patients for using MyHealth in requesting their prescription refill. We wish to also encourage all of our patients to please use MyHealth to request their prescription and to please request your prescription refill 7-10 days before your medicine runs out. So that way the prescriptions are refilled and delivered to your home for convenience and continuity of care. **Questions/Comments**: None **Teong Chai, Facilities, Construction and Systems Engineering** • Casa De Amigos project; the demolition for Phase 1 has been cleared. We're waiting on the city permit to be approved to start the actual construction. It's taking a little longer than expected but we are working with the commissioners.	

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	Administration *(continued)* • Quentin Mease renovation is going smoothly. Construction is almost finished. We're anticipating moving staff starting in April (Engineering, Security). Early May, we will start moving Thomas street and around June, Riverside Dialysis into the clinic. **Questions/Comments**: None Mr. Bustamante commented he spoke with Commissioner Garcia recently and he stated his office was going to do whatever they could to help with this project. He asked, is it a bureaucratic hang up or a typical delay? *Teong Chai responded, there's a lot of items with the city we are trying to get approved. I can send you some of the pending emails. Commissioner's Court has been involved and we'd really appreciate whatever you can do to help us.* **Jon Hallaway, Program Director, Department of Public Safety** • It was a quiet holiday. We are glad everyone worked together to keep each other safe. **Questions/Comments**: None **Omar Reid, Senior Vice President, Human Resources** • We really appreciate the council's advocacy on behalf of Harris Health. Dr. Small talked about staffing the ambulatory service centers and Dr. Porsa talked about the challenges that we still have with staffing at Harris Health. We continue to work diligently to make sure we bring good benefits and pay to our employees. We'll continue to try and fill the vacancies we have, which is currently above 900. **Questions/Comments**: None	
IX. New Business	Mr. Bustamante commented people are burnt out and after the holidays people have been struggling. I thing we need to keep lifting each other up and continue to move forward as aggressively as we can. Mrs. Roquemore, thank you for your leadership and all the members of this council.	

MINUTES OF THE HARRIS HEALTH SYSTEM COUNCIL AT LARGE COMMITTEE
January 9, 2023

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	New Business *(continued)* Mrs. Roquemore commented it was a very lovely holiday dinner and we thank Harris Health System for the opportunity for us to come back and be involved again with the members of the council. Dr. Khan mentioned one of our providers (Dr. Mini Vettical) passed away last month in a car accident outside of MLK clinic. She was young, very dedicated to the underserved. She left behind a beautiful family. I'd like to emphasize, patients and staff witnessed that accident and tried to help. What was remarkable is how the college leadership and the ambulatory leadership came together. The Chaplains supported the staff at all the clinics. This particular physician floated to a lot of clinics. It was beautiful to see how everyone supported each other. From a physician standpoint and Baylor College of Medicine standpoint, I'd like to thank, in this forum Harris health leadership for their love and especially the chaplain services for their support. Ms. Goodie announced she has been on the council since 2017. She stated she is interested in recruiting more members to the council. *Mrs. Roquemore responded she will contact Ms. Goodie.* Mrs. Reyes commented she would like to extend best wishes, blessings and happy new year to everyone. She stated it was good to see everyone at the holiday event. Dr. Small you and your staff worked great. The event was well attended and it was good to see everyone enjoying themselves and celebrate. Thank you for attending and for what you do for our patients.	
X. Adjournment	Motion to adjourn the meeting granted at 5:49pm.	**Next Meeting: February 13, 2023**

Thursday, February 23, 2022

Consideration of Acceptance of the Following Reports for the Healthcare for the Homeless Program 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

Operational Update for Review and Acceptance

- **HCHP February 2023 PowerPoint**

Administration recommends that the Board approves the Healthcare for the Homeless Program Reports 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 for the Homeless Program.

HARRIS HEALTH SYSTEM

Health Care for the Homeless
Monthly Update Report – February 2023

Jennifer Small AuD, MBA, CCC-A, Executive Vice President, Ambulatory Care Services
Tracey Burdine, Director, Health Care for the Homeless Program

Agenda

- Operational Update
  - Patient Services
  - Sliding Fee Discount Program Evaluation
  - 2023 HCHP Sliding Fee Scale
  - 2022 Q4 Budget Report
  - HCHP 2023-2026 Strategic Plan

Patients Served

Telehealth Visits

- Telehealth New Patients: 6
- Telehealth Return Patients: 44

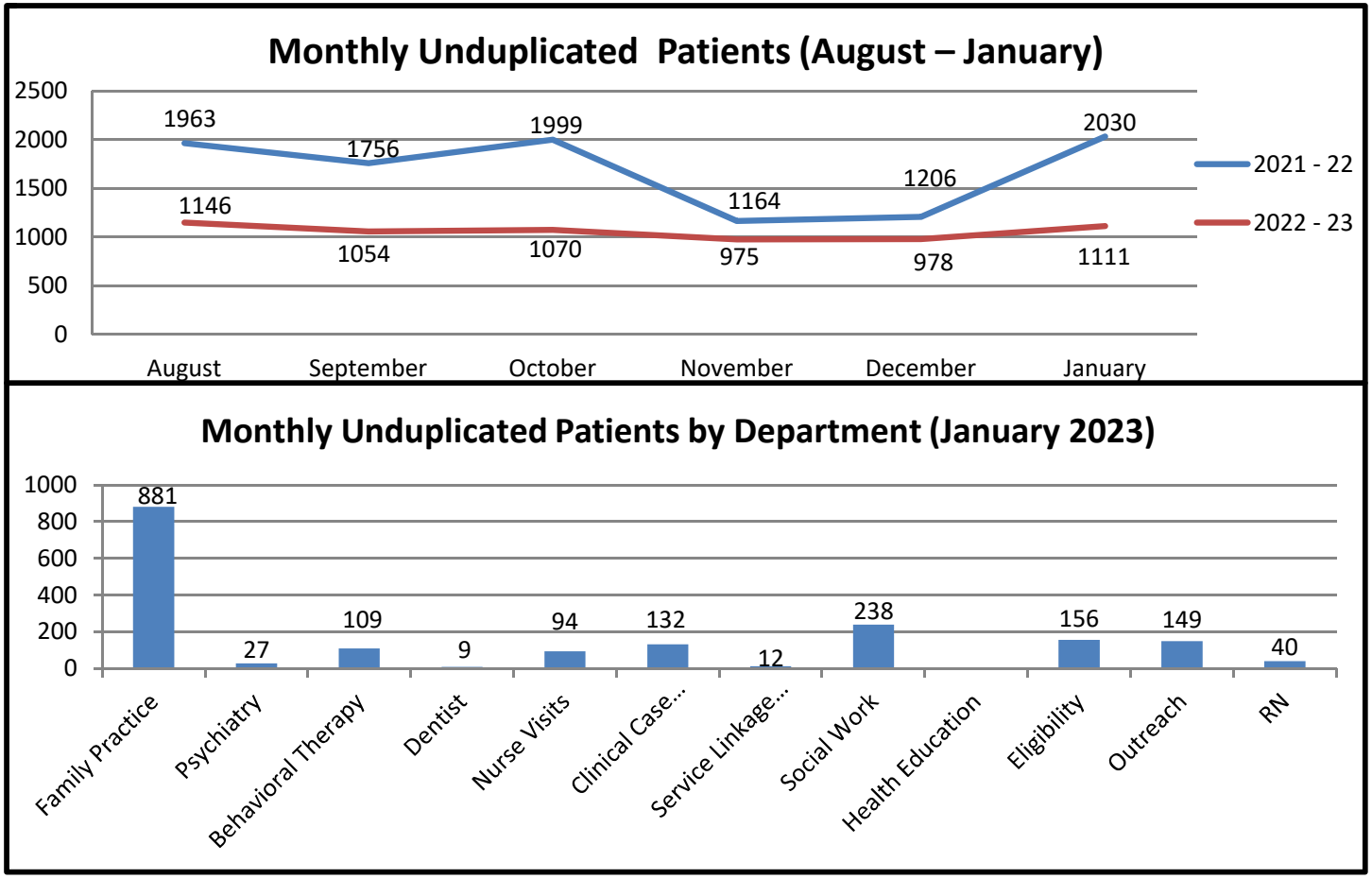
New Patient Visits

- Adult New Patients: 430
- Pediatric New Patients: 20

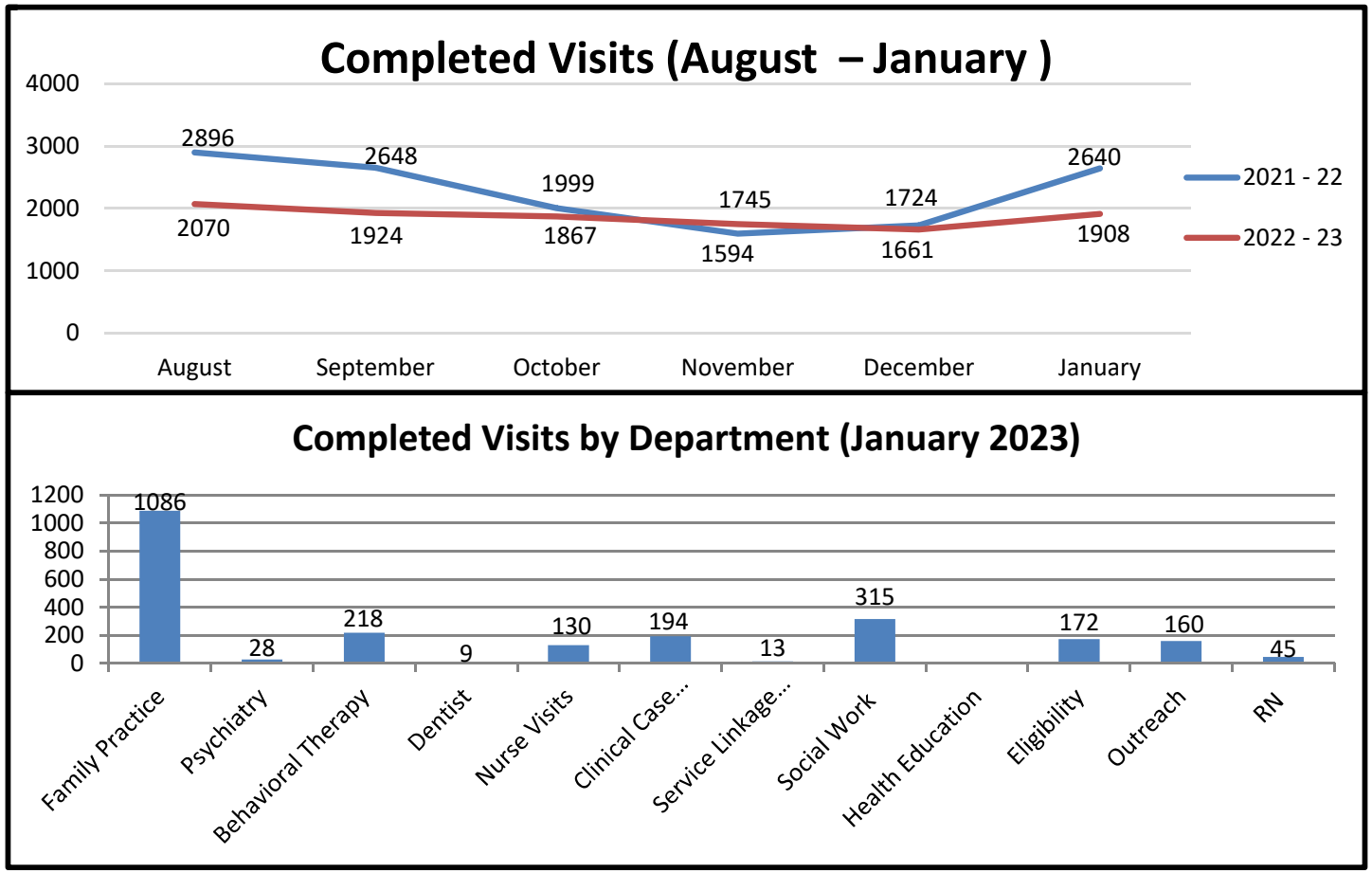
HRSA Target: 9775

- Unduplicated Patients: 1,111
- Total Complete Visits: 1,908

Operational Update



Operational Update



Sliding Fee Discount Program Evaluation

- HCHP evaluates, at least once every three years, the sliding fee discount program. The last evaluation was conducted in 2019.
- In 2021 HCHP began charging fees for services for patients above 100% of the FPL based on a sliding scale. A new policy was created to allow people experiencing homelessness, who may have income barriers to request a waiver for HCHP service fees.
- During the last four years, a majority of program patients were at 100% or below the federal poverty level (FPL) guidelines.
- In 2022, the sliding fee scale had associated-fees and a fee waiver was made available. By implementing the new waiver process, the program does not foresee the fees as creating a barrier to care.

HARRISHEALTH SYSTEM

Data for Sliding Fee Discount Program Evaluation

Productivity Measures	2021
Total Consumers	4,174
Medical Patients	4,086
Medical Visits	13,393
Dental Patients	82
Dental Visits	138
Mental Health Patients	2,103
Mental Health Visits	4,724
Substance Abuse Services Patients	15
Substance Abuse Services Visits	622
Enabling Service Consumers	1,407
Enabling Service Visits	3,358
Total Visits	22,235

Income As Percent Of Poverty Guideline	2021
100% and below	70.1%
101% to 150%	0.43%
151% to 200%	0.02%
Over 200%	0.14%
Unknown	29.3%

Medical Insurance	2021
Uninsured	89.77%
Medicaid	5.89%
Medicare	2.80%
Other	0%
Private Insurance	1.53%

- The current evaluation data is for the year of 2021 based on the UDS reports submitted to HRSA

2023 HCHP Sliding Fee Scale

- We are modifying the Health Care for the Homeless Program Sliding Fee Scale based on the 2023 Federal Poverty Guidelines issued on January 2023.
- The modified Sliding Fee Scale will be effective March 2023
- The categories and the nominal fees remained the same from the previous year. However, the incomes were adjusted to meet new Federal Poverty Guidelines.
- This sliding fee scale only applies to the ***Health Care for the Homeless program***

HARRISHEALTH SYSTEM

HCHP Sliding Fee Scale

Health Care for the Homeless Program

Effective March 2023

	HARRIS HEALTH SYSTEM - HEALTH CARE FOR THE HOMELESS PROGRAM - FAP																					
Family Size	HCHP Assistance Category A (100%)				HCHP Assistance Category B (150%)				HCHP Assistance Category C (185%)				HCHP Assistance Category D (200%)				Self-pay	
	Flat Fee Amount -- $0				Flat Fee Amount -- $3				Flat Fee Amount -- $5				Flat Fee Amount -- $7					
	Min income	Max income	FPL		Min Income	Max Income	FPL		Min Income	Max Income	FPL		Min Income	Max Income	FPL		Min Income	FPL
1	0	$ 1,215	0%	100.00%	$ 1,215.01	$ 1,823	100.01%	150.00%	$ 1,823.01	$ 2,248	150.01%	185.00%	$ 2,248.01	$ 2,430	185.01%	200.00%	$ 2,430.01	200.01% and >
2	0	$ 1,643	0%	100.00%	$ 1,643.01	$ 2,465	100.01%	150.00%	$ 2,465.01	$ 3,040	150.01%	185.00%	$ 3,040.01	$ 3,287	185.01%	200.00%	$ 3,287.01	200.01% and >
3	0	$ 2,072	0%	100.00%	$ 2,072.01	$ 3,108	100.01%	150.00%	$ 3,108.01	$ 3,833	150.01%	185.00%	$ 3,833.01	$ 4,143	185.01%	200.00%	$ 4,143.01	200.01% and >
4	0	$ 2,500	0%	100.00%	$ 2,500.01	$ 3,750	100.01%	150.00%	$ 3,750.01	$ 4,625	150.01%	185.00%	$ 4,625.01	$ 5,000	185.01%	200.00%	$ 5,000.01	200.01% and >
5	0	$ 2,928	0%	100.00%	$ 2,928.01	$ 4,393	100.01%	150.00%	$ 4,393.01	$ 5,417	150.01%	185.00%	$ 5,417.01	$ 5,857	185.01%	200.00%	$ 5,857.01	200.01% and >
6	0	$ 3,357	0%	100.00%	$ 3,357.01	$ 5,035	100.01%	150.00%	$ 5,035.01	$ 6,210	150.01%	185.00%	$ 6,210.01	$ 6,713	185.01%	200.00%	$ 6,713.01	200.01% and >
7	0	$ 3,785	0%	100.00%	$ 3,785.01	$ 5,678	100.01%	150.00%	$ 5,678.01	$ 7,002	150.01%	185.00%	$ 7,002.01	$ 7,570	185.01%	200.00%	$ 7,570.01	200.01% and >
8	0	$ 4,213	0%	100.00%	$ 4,213.01	$ 6,320	100.01%	150.00%	$ 6,320.01	$ 7,795	150.01%	185.00%	$ 7,795.01	$ 8,427	185.01%	200.00%	$ 8,427.01	200.01% and >
9	0	$ 4,642	0%	100.00%	$ 4,642.01	$ 6,963	100.01%	150.00%	$ 6,963.01	$ 8,587	150.01%	185.00%	$ 8,587.01	$ 9,283	185.01%	200.00%	$ 9,283.01	200.01% and >
10	0	$ 5,070	0%	100.00%	$ 5,070.01	$ 7,605	100.01%	150.00%	$ 7,605.01	$ 9,380	150.01%	185.00%	$ 9,380.01	$ 10,140	185.01%	200.00%	$ 10,140.01	200.01% and >
11	0	$ 5,498	0%	100.00%	$ 5,498.01	$ 8,248	100.01%	150.00%	$ 8,248.01	$ 10,172	150.01%	185.00%	$ 10,172.01	$ 10,997	185.01%	200.00%	$ 10,997.01	200.01% and >
12	0	$ 5,927	0%	100.00%	$ 5,927.01	$ 8,890	100.01%	150.00%	$ 8,890.01	$ 10,964	150.01%	185.00%	$ 10,964.01	$ 11,853	185.01%	200.00%	$ 11,853.01	200.01% and >
13	0	$ 6,355	0%	100.00%	$ 6,355.01	$ 9,533	100.01%	150.00%	$ 9,533.01	$ 11,757	150.01%	185.00%	$ 11,757.01	$ 12,710	185.01%	200.00%	$ 12,710.01	200.01% and >
14	0	$ 6,783	0%	100.00%	$ 6,783.01	$ 10,175	100.01%	150.00%	$ 10,175.01	$ 12,549	150.01%	185.00%	$ 12,549.01	$ 13,567	185.01%	200.00%	$ 13,567.01	200.01% and >
15	0	$ 7,212	0%	100.00%	$ 7,212.01	$ 10,818	100.01%	150.00%	$ 10,818.01	$ 13,342	150.01%	185.00%	$ 13,342.01	$ 14,423	185.01%	200.00%	$ 14,423.01	200.01% and >

Patient responsibility for categories A = $0, B = $3, C = $5, D = $7

Poverty level based on 2023 Federal Poverty Guidelines issued 01/2023.

Income figures represent gross monthly income.

This sliding scale applies only to patients of the Health Care for the Homeless Program.

Operational Update

Homeless -Primary Grants and Harris Health Funding				
Period: January 1, 2022 – December 31, 2022				
YTD December 2022				
Line Item	**Annual Budget**	**YTD Total Expense**	**Remaining Balance**	**% Used Total Projected Expenses**
Personnel/Fringe	$4,815,859	$3,996,595	$819,263.97	79%
Travel	$5,000	$9,455	$(4,455)	189%
Supplies	$203,383	$196,604	$ 6,779	97%
Equipment	$522,933	$12,546	$ 510,387	2%
Contractual	$731,625	$ 194,482	$ 537,142	27%
Other	$72,393	$ 42,261	$ 30,132	58%
Total	**$ 6,351,193**	**$4,451,944**	**$ 1,899,249**	**70%**

HCHP 2023 – 2026 Strategic Plan

Pillar 1: Infrastructure Optimization

A. Improve and Expand the availability of Comprehensive Health Services

Pillar 2: Quality/ Patient Safety

A. Enhance Maternal and Child Health Efforts

B. EC Decompression

C. Reduce Behavioral Health Challenges

Pillar 3: People

A. Improve Leadership/ Team Development

B. Strengthen Program Engagement

Pillar 4: One Harris Health

A. Promote Interdisciplinary Collaboration

Pillar 5: Population Health

A. Strengthen and Develop Strong Community Partnership

B. Promote Health and Disease

- Diabetes Improvement
- HIV Prevention and Care

Thursday, February 23, 2022

Consideration of Approval of the Following Reports for the Healthcare for the Homeless Program 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

Attached for consideration of approval:

- **Sliding Fee Discount Program Evaluation**

Administration recommends that the Board approves the Healthcare for the Homeless Program Reports 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 for the Homeless Program.

Health Care for the Homeless Program

Data for Sliding Fee Discount Program Evaluation

Productivity Measures	2018	2019	2020	2021
Total Consumers	10,836	10,289	8,335	4,174
Medical Patients	5,808	5,607	4,862	4,086
Medical Visits	12,828	12,832	12,796	13,393
Dental Patients	653	576	93	82
Dental Visits	1,743	1,508	272	138
Mental Health Patients	1,425	1,488	2,208	2,103
Mental Health Visits	3,352	3,661	4,018	4,724
Substance Abuse Services Patients	40	45	26	15
Substance Abuse Services Visits	1,872	1,431	1,069	622
Enabling Service Consumers	9,079	8,507	5,759	1,407
Enabling Service Visits	11,720	11,133	6,925	3,358
Total Visits	**31,515**	**30,565**	**25,080**	**22,235**

Income As Percent Of Poverty Guideline	2018	2019	2020	2021
100% and below	10,248 (94.57%)	9,133 (88.76%)	7,280 (87.34%)	2,926 (70.1%)
101% to 150%	132 (1.22%)	145 (1.41%)	73 (0.88%)	18 (0.43%)
151% to 200%	50 (0.46%)	42 (0.41%)	38 (0.46%)	1 (0.02%)
Over 200%	21 (0.19%)	12 (0.12%)	16 (0.19%)	6 (0.14%)
Unknown	385 (3.55%)	957 (9.3%)	928 (11.13%)	1,223 (29.3%)
Total Consumers	**10,836**	**10,289**	**8,335**	**4,174**

Medical Insurance	2018	2019	2020	2021
Uninsured	9,245 (85.32%)	8,438 (82.01%)	6,608 (79.28%)	3,747 (89.77%)
Medicaid	1,027 (9.48%)	1,226 (11.92%)	969 (11.63%)	246 (5.89%)
Medicare	427 (3.94%)	480 (4.67%)	526 (6.31%)	117 (2.80%)
Other	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Private Insurance	137 (1.26%)	145 (1.41%)	232 (2.78%)	64 (1.53%)
Total Consumers	**10,836**	**10,289**	**8,335**	**4,174**

During the last four years, a majority of program patients were at 100% or below the federal poverty level (FPL) guidelines. A majority were uninsured as they were patients experiencing homeless and as Texas has not expanded Medicaid eligibility. The decrease in patients and visits in 2020 and 2021 were related to issues addressed in the May, 2022 board meeting. The sliding fee scale does not seem to have been a barrier to care. In 2022, the sliding fee scale had associated-fees and a fee waiver was made available. With the majority of clients at or below 100% of the FPL and with a waiver process, the program does not foresee the fees as creating a barrier to care.

Thursday, February 23, 2022

Consideration of Approval of the Following Reports for the Healthcare for the Homeless Program 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

Attached for consideration of approval:

- **2023 HCHP Sliding Fee Scale**

Administration recommends that the Board approves the Healthcare for the Homeless Program Reports 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 for the Homeless Program.

Health Care for the Homeless Program
Effective March 2023

	HARRIS HEALTH SYSTEM - HEALTH CARE FOR THE HOMELESS PROGRAM - FAP																			
Family Size	**HCHP Assistance Category A (100%)**				**HCHP Assistance Category B (150%)**				**HCHP Assistance Category C (185%)**				**HCHP Assistance Category D (200%)**				**Self-pay**	
	Flat Fee Amount -- $0				**Flat Fee Amount -- $3**				**Flat Fee Amount -- $5**				**Flat Fee Amount -- $7**					
	Min income	Max income	**FPL**		Min Income	Max Income	**FPL**		Min Income	Max Income	**FPL**		Min Income	Max Income	**FPL**		Min Income	**FPL**
1	0	$ 1,215	0%	100. 00%	$ 1,215.01	$ 1,823	100.01%	150.00%	$ 1,823.01	$ 2,248	150.01%	185.00%	$ 2,248.01	$ 2,430	185.01%	200.00%	$ 2,430.01	200.01% and >
2	0	$ 1,643	0%	100. 00%	$ 1,643.01	$ 2,465	100.01%	150.00%	$ 2,465.01	$ 3,040	150.01%	185.00%	$ 3,040.01	$ 3,287	185.01%	200.00%	$ 3,287.01	200.01% and >
3	0	$ 2,072	0%	100. 00%	$ 2,072.01	$ 3,108	100.01%	150.00%	$ 3,108.01	$ 3,833	150.01%	185.00%	$ 3,833.01	$ 4,143	185.01%	200.00%	$ 4,143.01	200.01% and >
4	0	$ 2,500	0%	100. 00%	$ 2,500.01	$ 3,750	100.01%	150.00%	$ 3,750.01	$ 4,625	150.01%	185.00%	$ 4,625.01	$ 5,000	185.01%	200.00%	$ 5,000.01	200.01% and >
5	0	$ 2,928	0%	100. 00%	$ 2,928.01	$ 4,393	100.01%	150.00%	$ 4,393.01	$ 5,417	150.01%	185.00%	$ 5,417.01	$ 5,857	185.01%	200.00%	$ 5,857.01	200.01% and >
6	0	$ 3,357	0%	100. 00%	$ 3,357.01	$ 5,035	100.01%	150.00%	$ 5,035.01	$ 6,210	150.01%	185.00%	$ 6,210.01	$ 6,713	185.01%	200.00%	$ 6,713.01	200.01% and >
7	0	$ 3,785	0%	100. 00%	$ 3,785.01	$ 5,678	100.01%	150.00%	$ 5,678.01	$ 7,002	150.01%	185.00%	$ 7,002.01	$ 7,570	185.01%	200.00%	$ 7,570.01	200.01% and >
8	0	$ 4,213	0%	100. 00%	$ 4,213.01	$ 6,320	100.01%	150.00%	$ 6,320.01	$ 7,795	150.01%	185.00%	$ 7,795.01	$ 8,427	185.01%	200.00%	$ 8,427.01	200.01% and >
9	0	$ 4,642	0%	100. 00%	$ 4,642.01	$ 6,963	100.01%	150.00%	$ 6,963.01	$ 8,587	150.01%	185.00%	$ 8,587.01	$ 9,283	185.01%	200.00%	$ 9,283.01	200.01% and >
10	0	$ 5,070	0%	100. 00%	$ 5,070.01	$ 7,605	100.01%	150.00%	$ 7,605.01	$ 9,380	150.01%	185.00%	$ 9,380.01	$ 10,140	185.01%	200.00%	$ 10,140.01	200.01% and >
11	0	$ 5,498	0%	100. 00%	$ 5,498.01	$ 8,248	100.01%	150.00%	$ 8,248.01	$ 10,172	150.01%	185.00%	$ 10,172.01	$ 10,997	185.01%	200.00%	$ 10,997.01	200.01% and >
12	0	$ 5,927	0%	100. 00%	$ 5,927.01	$ 8,890	100.01%	150.00%	$ 8,890.01	$ 10,964	150.01%	185.00%	$ 10,964.01	$ 11,853	185.01%	200.00%	$ 11,853.01	200.01% and >
13	0	$ 6,355	0%	100. 00%	$ 6,355.01	$ 9,533	100.01%	150.00%	$ 9,533.01	$ 11,757	150.01%	185.00%	$ 11,757.01	$ 12,710	185.01%	200.00%	$ 12,710.01	200.01% and >
14	0	$ 6,783	0%	100. 00%	$ 6,783.01	$ 10,175	100.01%	150.00%	$ 10,175.01	$ 12,549	150.01%	185.00%	$ 12,549.01	$ 13,567	185.01%	200.00%	$ 13,567.01	200.01% and >
15	0	$ 7,212	0%	100. 00%	$ 7,212.01	$ 10,818	100.01%	150.00%	$ 10,818.01	$ 13,342	150.01%	185.00%	$ 13,342.01	$ 14,423	185.01%	200.00%	$ 14,423.01	200.01% and >

Patient responsibility for categories A = $0, B = $3, C = $5, D = $7

Poverty level based on 2023 Federal Poverty Guidelines issued 01/2023.
Income figures represent gross monthly income.
This sliding scale applies only to patients of the Health Care for the Homeless Program.

Thursday, February 23, 2022

Consideration of Approval of the Following Reports for the Healthcare for the Homeless Program 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

Attached for consideration of approval:

- **2022 Q4 Budget Report**

Administration recommends that the Board approves the Healthcare for the Homeless Program Reports 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 for the Homeless Program.

Homeless Primary Grant & Non-Federal Funding Period: January 1, 2022 - December 31, 2022 Reporting Period: January 1, 2022 - December 31, 2022					
	Line Item	**Annual Budget**	**YTD Total Expense**	**Remaining Balance(Budget-Total Projected Expenses)**	**% Used YTD**
Federal	Salary	$ 3,696,943	$ 3,228,483	468,460	87%
	Benefits	$ 908,916	$ 683,271	225,645	75%
	Travel	$ 3,000	$ 7,055	(4,055)	235%
	Supplies	$ 82,411	$ 179,393	(96,982)	218%
	Equipment	$ 506,959	$ 12,546	494,413	2%
	Contractual	$ 731,625	$ 194,408	537,217	27%
	Other	$ 19,888	$ 29,028	(9,140)	146%
	Total	**$ 5,949,742**	**$ 4,334,184**	**1,615,558**	**73%**
Non-Federal	Salary	$ 175,000	$ 76,525	98,475	44%
	Benefits	$ 35,000	$ 8,316	26,684	24%
	Travel	$ 2,000	$ 2,400	(400)	120%
	Supplies	$ 120,972	$ 17,211	103,761	14%
	Equipment	$ 15,974	$ -	15,974	0%
	Contractual	$ -	$ 74	(74)	0%
	Other	$ 52,505	$ 13,233	39,272	25%
	Total	**$ 401,452**	**$ 117,760**	**283,692**	**29%**
Grand Total	Salary	$ 3,871,943	$ 3,305,008	566,935	85%
	Benefits	$ 943,916	$ 691,587	252,329	73%
	Travel	$ 5,000	$ 9,455	(4,455)	189%
	Supplies	$ 203,383	$ 196,604	6,779	97%
	Equipment	$ 522,933	$ 12,546	510,387	2%
	Contractual	$ 731,625	$ 194,482	537,142	27%
	Other	$ 72,393	$ 42,261	30,132	58%
	Total	**$ 6,351,193**	**$ 4,451,944**	**1,899,249**	**70%**

Thursday, February 23, 2022

Consideration of Approval of the Following Reports for the Healthcare for the Homeless Program 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

Attached for consideration of approval:

- **HCHP 2023 – 2026 Strategic Plan**

Administration recommends that the Board approves the Healthcare for the Homeless Program Reports 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 for the Homeless Program.

HCHP 2023-2026 Strategic Plan

Pillar 1: Infrastructure Optimization

Aim: Improve and expand the availability of comprehensive Health Services

1. Relocate Lord of the Streets clinic
2. Renovation to Open Door Mission Clinic
3. Expand Mobile Medical
4. Increase volunteer services
5. Open Jensen Clinic
6. Open backup Dental at Harmony House

Pillar 2: Quality/ Patient Safety

Aim: Enhance maternal and child health efforts

1. 40% of identified patients will have full childhood immunizations by the age of two
2. 80% of identified patients will have prenatal care services
3. 5% increase in the number of Well-Child visits between consecutive UDS reporting years.
4. Divert patients from EC to HCHP Clinics and expand access to services by 5% from the previous year
5. Increase availability and accessibility of behavioral services by 5% from the previous year
6. 10% increase in patients receiving medication-assisted treatment between consecutive UDS reporting

Pillar 3: People

Aim: Improve Leadership/ Team development and Strengthen program engagement

1. Improve Knowledge and awareness of HRSA and FQHC model, thereby increasing employee engagement score by 5% over the previous year
2. Conduct a minimum of 4 trainings a year to expand team and individual competency development
3. Increase patient satisfaction scores in each category by 5 points
4. Implement 2 performance management processes which will identify and utilize program outcome measures
5. Increase employee recognition by 5% for individual contributions toward achieving HRSA goals

Pillar 4: One Harris Health

Aim: Promote interdisciplinary collaboration

1. Create a team of multiple medical professionals to address the needs of high risk patients reducing hospital admission rates for Homeless patients by 3%

Pillar 5: Population Health

Aim: Strengthen and develop strong community partnership to improve access and enhance quality for patients as well as contribute to the improvement of the community's health.

Promote health and disease prevention: address emerging community health needs with outcome focused programs and initiatives.

1. Partner with Population Health, CoC, and Social Service agencies to identify needs of the community with focus on Scope of Practice expansion increasing external referrals by 3%.
2. Increase the proportion of patients receiving enabling services by 15% between consecutive UDS reporting years
3. Demonstrate a 10% point improvement in uncontrolled diabetes CQMs during consecutive UDS reporting years (2021 and 2022) for at least one racial/ethnic group, while maintaining or improving the health center's overall CQM performance from the previous reporting year
4. 95% of individuals diagnosed with HIV will be linked to care within 30 days of diagnosis
5. 10% increase in the number of HIV diagnostic tests performed between consecutive years of UDS reporting.
6. 5% increase in the number of patients receiving PrEP between consecutive UDS reporting years

Thursday, February 23, 2023

Executive Session

Review of the 2022 Financial Performance for the Twelve Months Ending December 31, 2022, Pursuant to Tex. Gov't Code Ann. §551.085 and Tex. Gov't Code Ann. §551.071, Including Consideration of Approval of the 2023 Capital Budget for Community Health Choice Texas, Inc. and Community Health Choice, Inc. and the 2023 Insurance Renewals Upon Return to Open Session.

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Thursday, February 23, 2023

Executive Session

Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA and Other Federal and State Healthcare Program Requirements and a Status of Fraud and Abuse Investigations, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Gov't Code §418.183, Tex. Gov't Code §551.089, Tex. Occ. Code Ann. §160.007, Tex. Occ. Code Ann. §151.002, and Tex. Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session

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