

HARRIS HEALTH SYSTEM

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MINUTES OF THE SPECIAL CALLED BOARD OF MANAGERS MEETING

Friday, October 21, 2016

Board Room – Administration Building

ORIGINAL
DO NOT REMOVE

Members Present:

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

Members Absent:

Dr. Donald Butts
Mr. Brandon Capetillo
Mr. Lawrence Finder

Others Present:

Mr. George Masi, President & Chief Executive Officer
Mr. Michael Norby, Executive Vice President & Chief Financial Officer
Dr. Parikshet Babber, Executive Vice President & Chief Medical Officer
Dr. Ericka Brown, Executive Vice President & Administrator, Ben Taub Hospital
Dr. Michael Gardner, Executive Vice President & Administrator, Ambulatory Care Services
Mr. Alan Vierling, Executive Vice President & Administrator, Lyndon B. Johnson Hospital
Dr. Jose Garcia, General Director, Affiliated Medical Services
Dr. Kenneth Mattox, Chief of Staff, Ben Taub Hospital
Dr. Mohammad Zare, Chief of Staff, Ambulatory Care Services
Ms. Sara Ramirez, Attorney, Harris County Attorney's Office
Ms. Peggy Boice, Harris County Judge Ed Emmett's Office (10:47 a.m. arrival)
Ms. Carole Lamont, Commissioner Steve Radack's Office (11:07 a.m. arrival)
Mr. Paul Shanklin, Commissioner Jack Cagle's Office (10:48 a.m. arrival)
Administrative Staff
Guests
(Sign-in Sheets attached to permanent record)

I. Call to Order and Record of Attendance

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

II. Approval of the Minutes of Previous Meeting

Motion 16.10-83

Moved by Ms. Anne Clutterbuck, seconded by Dr. Kimberly Monday, and unanimously passed that the Board approve the minutes of the September 15, 2016 Special Called Board meeting.

III. Executive Session

At 9:10 a.m., Mr. Franklin stated that the Board would enter into Executive Session under Texas Gov't Code Ann. §551.085.

IV. Reconvene

At 10:50 a.m., Mr. Franklin reconvened the meeting and stated that no action was taken in Executive Session.

- A. Discussion Regarding Financial Planning Information Related to the Negotiation Between the Harris County Hospital District d/b/a Harris Health System and Affiliated Medical Services for the Arrangement or Provision of Medical Services, Pursuant to Texas Gov't Code Ann. §551.085, and Possible Action Regarding this Matter Upon Return to Open Session.

No action was taken.

V. Review of the Minutes of Previous Strategic Planning Meetings

Strategic Planning Committee Meeting – February 18, 2015
Strategic Planning Committee Meeting – June 27, 2016

VI. Harris Health System Strategic Planning Process for Fiscal Year 2017

- A. Review and Discussion Regarding the Harris Health System February 2015 Strategic Initiatives Prioritization Chart.

Ms. Daisy Stiner announced the next steps that Harris Health will implement in its strategic planning process. She stated that input from various stakeholders will be gathered to identify the issues to be considered as Harris Health develops its strategic plan for the next three (3) years. Ms. Stiner reported that surveys will be distributed to Harris Health's physicians, Baylor College of Medicine, and The University of Texas Health Science Center at Houston to obtain their feedback regarding the strategic issues affecting Harris Health. She explained that this feedback will be utilized by the Board and Harris Health executives as they develop the strategic plan at the next strategic planning workshop, which will be scheduled for early 2017. Mr. George Masi, President and Chief Executive Officer, announced that a survey to obtain employee feedback regarding Harris Health's vision and mission statements will be distributed to Harris Health's employees on October 24, 2016. He stated that he and Ms. Carolyn Truesdell will utilize this information to revise Harris Health's mission and vision statements to accurately reflect the organization's future goals and aspirations. Ms. Stiner requested that the Board consider whether Harris Health's mission should be modified to include a reference to the provision of healthcare services to Harris County's indigent population.

Mr. Masi delivered an overview regarding the status of the nineteen (19) initiatives listed on the Harris Health strategic initiatives prioritization chart that was initially reviewed at the February 2015 Strategic Planning Committee meeting. He stated that Harris Health has completed or is making significant progress regarding the majority of these initiatives, including increasing operating room capacity at Ben Taub Hospital (BTH) and retaining

BTH's Level I trauma center certification. Ms. Stiner requested that Mr. Masi provide an update of Strategic Initiative No. 19, which states that Harris Health must discover new and expanded funding sources without "chasing revenue streams." Mr. Masi stated that Harris Health recognizes the need to pursue the philanthropic opportunities that exist for healthcare organizations in our community. He explained that the Harris County Hospital District Foundation (Foundation) created an Office of Development to discover and develop philanthropic initiatives and that Ms. Kelli Fondren was selected as Vice President and Chief Development Officer. Ms. Fondren stated that she examined the history of fundraising at Harris Health and within the Texas Medical Center in general and was excited to discover several unexplored philanthropic opportunities. She recommended that the Board of Managers partner with the Foundation's Board of Trustees, and the Harris County Commissioners Court to achieve Harris Health's philanthropic goals.

B. Review and Discussion Regarding Harris Health System's Vision for the Future – A Bridge to 2019.

Mr. Masi stated that the Bridge to 2019 is a transformational framework which will guide Harris Health through the budget cycles from Fiscal Year 2017 to Fiscal Year 2019. He explained that the Bridge to 2019 consists of the following components: 1) maintaining a stable financial foundation; 2) improving clinical quality, patient care, and patient satisfaction; 3) rewarding and investing in Harris Health's employees; and 4) modernizing Harris Health's facilities, information technology, and medical equipment. Mr. Masi stated that the Bridge to 2019 will allow Harris Health to transition to a model of healthcare delivery that is based on quality, safety, and the establishment of a medical home for its patients. Harris Health began as a system of three (3) hospitals and twelve (12) community clinics but the organization must evolve to remain at the forefront of the changes that are occurring in the healthcare landscape. Whereas hospital systems traditionally focused on providing large amounts of acute care to patients, the emphasis is currently on wellness, prevention, disease management, and acute care intervention.

Ms. Stiner inquired regarding the drivers that Harris Health should consider in its transition from an acute care model to a wellness model. Additionally, she inquired regarding how Harris Health's transition to a wellness model of care will affect its patients who suffer from chronic illnesses. Dr. Michael Gardner, Executive Vice President and Administrator, Ambulatory Care Services, responded that Harris Health will continue to care for chronically ill patients but that it is in the long-term interests of the organization and its patients for Harris Health to promote wellness measures that will result in fewer health complications and less expensive patient care. Mr. Alan Vierling, Executive Vice President and Administrator, Lyndon B. Johnson Hospital, stated that while Harris Health will continue to care for chronically ill patients, the organization can defer healthcare costs by improving the health of its patients. He further stated that Harris Health must determine how its hospitals can deliver healthcare in the most efficient manner to obtain the maximum value for the money that is spent. Dr. Ericka Brown, Executive Vice President and Administrator, BTH, noted that the healthcare industry is trending toward value-based care and that Harris Health must assess the value of the services it provides to the community. She stated that Harris Health currently provides value by maintaining a Level I trauma center, a Level III trauma center, and a large ambulatory care program. Dr. Brown explained

that a transition from an acute care model to a wellness care model would allow Harris Health to provide more value on the front end of healthcare delivery, which will result in greater value on the back end regarding chronic and acute healthcare. Dr. Jose Garcia, General Director of Affiliated Medical Services, stated that Harris Health's medical school partners desire to provide a greater level of quality regarding patient care and he requested that the schools be granted access to the necessary data that will enable them and Harris Health to transition toward a value-based care model. Ms. Truesdell stated that if Harris Health's strategic goals are wellness, prevention, disease management and acute care intervention, then the strategic plan must determine how the wellness initiatives and programs will be funded. Mr. Masi stated that if Harris Health budget remains static, the executive administration and the Board will be required to make critical decisions regarding the reallocation of resources to achieve the value-based model.

- C. Review and Discussion Regarding the Harris Health System Fiscal Year 2017 Strategic Planning Issue Briefs.
1. Harris Health System
 2. Affiliated Medical Services Contract Design
 3. Affiliated Medical Services Response
 4. Core Infrastructure Modernization / Replacement
 5. Ben Taub Hospital and LBJ Hospital Service Line Configuration
 6. Ambulatory Care Services Future Design
 7. Information Technology Infrastructure
 8. Schedule of Benefits
 9. Value-Based Care
 10. Recruitment and Retention
 11. Telehealth
 12. Future of the Affordable Care Act, Medicaid Expansion, DSRIP, Uncompensated Care Pool, and DSH Payments
 13. Care of the Undocumented
 14. The Role of Philanthropy
 15. Community Health Choice, Inc.

Mr. Masi provided an overview of the fifteen (15) issue briefs that the Harris Health administration provided to outline the critical issues to be considered regarding Harris Health's strategic plan. The Board members requested an additional issue brief regarding the provision of mental health services. Mr. Franklin requested a list of the capital improvements required for Harris Health facilities and a list of the clinical services that Harris Health administration proposes to modify. Dr. Kimberly Monday presented the following three (3) questions: 1) Since Harris Health's clients seem to be patients who cannot obtain health insurance coverage elsewhere, would they be better served at other healthcare facilities? 2) Would it benefit Harris Health to examine the services it provides well and modify its service lines to emphasize its strengths rather than duplicating service lines which may be inefficient and provide a lesser degree of care? 3) Is there a complete list of the Federally Qualified Health Centers (FQHCs) that operate in the Harris County area to inform patients of the healthcare facilities that are available to them in addition to Harris Health? Dr. Gardner stated that he will provide Dr. Monday with a map of the FQHCs in the Harris County area. Discussion ensued. Ms. Stiner reminded the Board that Harris Health is statutorily mandated to provide services to indigent patients, which may affect the transformation of the organization's healthcare delivery model. Mr. Elvin Franklin, Jr. recommended that Harris Health explore the possibilities of partnering with the City of Houston or other Harris County agencies to share the costs of providing healthcare services to the community. Ms. Anne Clutterbuck stated that patient access to healthcare should be included as an additional component of the Bridge to 2019. She noted that Community Health Choice, Inc. (CHC, Inc.) is critical to expanding patient access to healthcare and stated that CHC, Inc. will be instrumental to Harris Health's long-term strategic goals. Dr. Monday mentioned that an electronic application or website would be useful to coordinate which healthcare options are available to patients based on a patient's location and insurance coverage or lack thereof. Ms. Carol Graebner suggested that Dr. Monday's idea of developing an application for patients to find healthcare would be a worthwhile fundraising project for Ms. Fondren and the Foundation to initiate. Ms. Truesdell recommended that Harris Health should determine where duplication exists within Harris Health's outpatient clinics, which clinics are most useful and effective, and which clinics are the best at providing certain services. She also stated that the Harris Health should examine its schedule of benefits to determine which services Harris Health excels at providing and which services are most needed by the community. Mr. Franklin stated that Harris Health's traditional focus has been the provision of healthcare to indigent patients and that if Harris Health is shifting its focus, it needs to make that clear to the community.

Ms. Stiner stated that the next strategic planning meeting will be held in February 2016 and that a facilitator will be utilized to moderate the meeting discussions. Ms. Stiner and Dr. Monday stated that an additional strategic planning meeting may be required prior to February 2016 to discuss the survey responses collected from the Harris Health physicians and medical school partners.

VII. Adjournment

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

There being no further business, the meeting adjourned at 12:05 p.m.

I certify that the foregoing are the Minutes of the meeting of the Board of Managers of the Harris County Hospital District d/b/a Harris Health System held at the Administration Building in Houston, Texas on October 21, 2016.

Respectfully submitted,



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



Ms. Anne Clutterbuck, Secretary
Board of Trustees

Recorded by Kenya Shields