

HARRIS HEALTH SYSTEM

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MINUTES OF THE BOARD OF TRUSTEES MEETING

Thursday, March 30, 2017

Board Room – Administration Building

Members Present:

Ms. Anne Clutterbuck, Chair
Dr. Kimberly Monday, Vice-Chair
Mr. Lawrence Finder
Mr. Elvin Franklin, Jr.
Ms. Carol Graebner
Dr. Ewan Johnson
Ms. Carolyn Truesdell

Members Absent:

Ms. Daisy Stiner, Secretary
Mr. Brandon Capetillo

Others Present:

Mr. George Masi, President & Chief Executive Officer
Mr. Michael Norby, Executive Vice President & Chief Financial Officer
Dr. Parikshet Babber, Executive Vice President & Chief Medical Officer
Mr. Tim Tindle, Executive Vice President & Chief Information Officer
Dr. Ericka Brown, Executive Vice President & Administrator, Ben Taub Hospital
Dr. Michael Gardner, Executive Vice President & Administrator, Ambulatory Care Services
Dr. Yvonne Chu, Assistant Director, Affiliated Medical Services
Dr. Maya Suresh, Chair of Anesthesiology, Baylor College of Medicine
Dr. Kenneth Mattox, Chief of Staff, Ben Taub Hospital
Dr. Mohammad Zare, Chief of Staff, Ambulatory Care Services
Ms. Mercedes Leal, Attorney, Harris County Attorney's Office
Mr. DeWight Dopslauf, Purchasing Agent, Harris County Purchasing
Ms. Peggy Boice, Harris County Judge Ed Emmett's Office (9:14 a.m. arrival)
Ms. Carole Lamont, Commissioner Steve Radack's Office
Mr. Paul Shanklin, Commissioner Jack Cagle's Office
Ms. Amber Weed, Commissioner Ellis's Office
Administrative Staff
Guests
(Sign-in Sheets attached to permanent record)

I. Call to Order and Record of Attendance

Ms. Anne Clutterbuck, Chair, called the meeting to order at 9:04 a.m., and noted that a quorum was present. The attendance was recorded.

II. Approval of the Minutes of Previous Meetings

Motion 17.03-29

Moved by Ms. Carolyn Truesdell, seconded by Dr. Kimberly Monday, and unanimously passed that the Board approve the minutes of the February 9, 2017 FY2018 Operating and Capital Budget Public Hearing and the February 23, 2017 Board of Trustees meeting. Ms. Clutterbuck requested that the 2017 Board of Trustees Committee Membership list be corrected to reflect that Ms. Carol Graebner was removed from the Joint Board Workgroup and that Dr. Ewan Johnson was added to the Joint Conference Committee. Additionally, she announced that the Board of Trustees' Strategic Planning Retreat will be held June 16, 2017 at the Briar Club.

III. Announcements / Special Presentations

A. Special Recognition – Dr. Michael Gardner, Executive Vice President and Administrator, Ambulatory Care Services, recognized Ms. Renita Chambers, RN, and Ms. Samena Richards, LVN, of the Casa de Amigos Health Center. He stated that on December 28, 2016, Ms. Chambers and Ms. Richards were on duty at Casa de Amigos when they received notice that a stabbing incident occurred at the Poppa Burger restaurant located across the street from the health center. Dr. Gardner explained that the stabbing victim had suffered numerous wounds to the chest, abdomen, back, and head, and that both nurses, without regard for their own safety, ran to the restaurant to administer aid until the Houston Fire Department arrived at the scene. He commended Ms. Chambers and Ms. Richards for going beyond the call of duty to serve someone in need.

IV. Hear from Citizens

Dr. Kevin Smith of the Smith Cosmetic Surgery Center stated that he developed a medical breakthrough for the treatment of sinus headaches and migraines and offered to utilize his techniques with Harris Health's patients and employees. He reported that his treatments will increase productivity and reduce absenteeism among employees who suffer from sinus headaches and migraines and will allow Harris Health to reduce the time and money it spends on tests, lab work, and emergency room visits for patients who suffer migraines.

V. Strategic Discussion Issues

A. Harris Health System Legislative Initiatives

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

Mr. R. King Hiller, Vice President, Public Policy and Government Relations, led the discussion regarding activities in Austin relating to legislative/regulatory issues impacting Harris Health System. He reported that the state Senate unanimously

passed the proposed state 2018 – 2019 budget on March 28, 2017, and he estimated that the budget will be presented on the floor of the state House of Representatives on April 6 – 7, 2017. A copy of Mr. Hillier's proposed 2018 – 2019 budget summary is available in the permanent record. Mr. Hillier stated that the Senate passed Senate Bill 2, which would require cities and counties to hold elections to approve property tax rates if the funds collected through property taxes increase by 5% over the previous year. He explained that the House may amend the bill to raise the rollback rate to 6% and require that the bill only apply to counties with populations in excess of 100,000 residents. Mr. Hillier announced that he will distribute to the Board a brief video presentation regarding Medicaid reform and the potential impact to Texas if federal Medicaid funding is capped through either block grants or a per capita model.

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

Mr. Hillier led the discussion regarding pending federal legislative and policy issues affecting Harris Health System. He projected that Congress will eventually introduce a new initiative to repeal and replace the Affordable Care Act (ACA) after Speaker of the House Paul Ryan withdrew the American Health Care Act on March 24, 2017. Mr. Tony Essalih, Harris Health Liaison for Intergovernmental Affairs, stated that legislators may consider piecemeal reform measures on a smaller scale that are more likely to garner greater overall support. Mr. Lawrence Finder inquired regarding the potential implications for Harris Health if the ACA is allowed to collapse under its own weight. Mr. Hillier stated that if insurance companies continue to exit the Health Insurance Marketplace (Marketplace) and insurance premium subsidies are not adequately funded, the number of uninsured patients will increase and the burden of supplying subsidies may fall to Harris Health. Discussion ensued. Mr. Hillier reported that he plans to meet with various federal stakeholders to determine how Texas may continue its Medicaid 1115 Waiver program if a per capita allocation model is approved.

VI. Board Review and Action Items

A. Joint Conference Committee Review and Action Items

1. Notice of Appointments and Selection of New Service Chiefs

Dr. Yvonne Chu, Assistant Director, Affiliated Medical Services, stated that there were no appointments or no selection of new service chiefs.

Motion 17.03-30

Moved by Ms. Carolyn Truesdell, seconded by Mr. Elvin Franklin, Jr., and unanimously passed that the Board approve agenda item VI.A.2.

2. Acceptance of the Medical Executive Board Reports for February 2017 and March 2017.

Dr. Maya Suresh, Chair of Anesthesiology, Baylor College of Medicine, presented the February and March 2017 Medical Executive Board (MEB) Reports. She reported that Dr. Kenneth Mattox, Chief of Staff, Ben Taub Hospital (BTH), led a follow-up discussion regarding the incident that occurred at BTH in February 2017. Dr. Suresh stated that the MEB concluded that improvements are needed to reconcile hospital safety measures with law enforcement responses in these types of events. Significant discussion ensued. Dr. Ericka Brown, Executive Vice President and Administrator, BTH, emphasized that the BTH staff and physicians performed in an appropriate manner and stated that BTH is engaged in ongoing discussions with law enforcement to determine how to develop a modified emergency response for a healthcare environment. Ms. Anne Clutterbuck stated that the February 2017 incident was a false alarm and that there were no shots fired, no weapons recovered, and no injuries sustained. Mr. George Masi commended the Houston Police Department for their immediate and thorough response during this event.

Dr. Suresh stated that Dr. Mohammad Zare, Chief of Staff, Ambulatory Care Services, discussed the increasing costs of diabetic patient care. She reported that wait times increased for boarders in the BTH and Lyndon B. Johnson Hospital (LBJH) Emergency Centers. Dr. Suresh noted that the wait time for both pavilions is approximately 18,000 hours per month and that twenty-five (25) patients are housed in the emergency centers on any given day. She explained that BTH and LBJH are attempting to improve their patient throughput processes and that the MEB requested that this issue be addressed by the Board of Trustees' Strategic Planning Committee. Mr. Masi stated that Harris Health must determine which functions BTH and LBJH will serve because their current models of operation are unsustainable for the future. Copies of the reports are available in the permanent record.

Motion 17.03-31

Moved by Dr. Ewan Johnson, seconded by Mr. Elvin Franklin, Jr., and unanimously passed that the Board approve agenda item VI.A.3.

3. Approval Regarding the Credentialing Changes for Members of the Harris Health System Medical Staff (March 2017).

Dr. Suresh presented the March 2017 credentialing changes for the members of the Harris Health System medical staff. She reported that there were twenty-two (22) initial applications, sixty-five (65) reappointments, five (5) resignations, and twelve (12) change/add privileges. A copy of the report is available in the permanent record.

B. Performance Improvement & Patient Safety Committee Review Items

1. Review and Discussion Regarding the Harris Health System Quality Executive Summary and Scorecard.

Dr. Parikshet Babber, Executive Vice President and Chief Medical Officer, presented the Harris Health System Quality Executive Summary and Scorecard. He introduced Dr. Elizabeth Greenlee as the new Associate Administrator of Quality Programs, Accreditation, Infection Prevention, and Risk & Patient Safety. Dr. Babber

highlighted that LBJH met or exceeded the achievement thresholds for all value-based care metrics in January 2017. He reported that Harris Health experienced fallouts regarding communication with nurses and discharge information. Dr. Babber explained that the communication with nurses metric fell short of the achievement threshold by a very narrow margin, which attests to the concentrated efforts by Dr. Maureen Padilla, Senior Vice President and Chief Nursing Executive, and the Chief Nursing Officers at BTH and LBJH to improve the patient experience at Harris Health. He reported that Harris Health continues to perform better than the state and national averages regarding efficiency and cost reductions for Federal Fiscal Year 2017. Dr. Babber stated that Harris Health has no fallouts regarding hospital readmissions year-to-date. He noted that the Ambulatory Care Services metric regarding diabetic foot exams was greater than 80% in January 2017 and that the Connect patient satisfaction survey scores continued to display improvement over the 2016 scores year-to-date.

Dr. Babber announced his mission to modify Harris Health's processes and culture to achieve excellence regarding quality and patient safety and to significantly decrease the incidence of hospital-acquired infections. He stated that he will deliver an overview of the organization's culture of safety at the April Board meeting and that he will present an update regarding Harris Health's quality program every other month. A copy of the report is available in the permanent record.

2. Review and Discussion Regarding the Multidisciplinary Approach to Decrease Glucose Levels in Pre-Operative Diabetes Patients.

Dr. Michael Gardner, Executive Vice President and Administrator, Ambulatory Care Services (ACS), and Ms. Jamie Mathis, Associate Administrator, Population Health and Disease Management, delivered the presentation regarding the ACS multidisciplinary approach to decrease glucose levels in pre-operative diabetes patients. Ms. Mathis reported that ACS implemented a multidisciplinary team approach in 2015 to improve outcomes regarding the treatment of diabetes patients. She stated that the teams are composed of physicians, nurses, pharmacy representatives, nutritionists, and case managers and that brief huddles are conducted each morning regarding the status and needs of each patient and the availability of multidisciplinary team members. Ms. Mathis explained that after a diabetes patient is examined by a physician, a nurse will conduct testing for hemoglobin A1c, assess the patient's most urgent healthcare needs, and provide patient education regarding blood glucose targets, medications, and healthy food choices. She stated that the team members make concerted efforts to follow up with the patient on the same day as their health clinic visit rather than requesting the patient to make an additional appointment on another day. Ms. Mathis noted that the patient will receive a telephone call from a clinical case manager within one week of their visit to review future appointments, lab work, and to answer any questions the patient may have. Dr. Gardner informed that Board that hemoglobin A1c levels decreased by 10% in patients who were treated according to the multidisciplinary approach and that this program has resulted in the most significant improvement in blood sugar control for Harris Health's patients. He stated that diabetes patients who require elective surgery are informed that if they postpone surgery for a few months to bring their blood sugar levels under control, they will decrease their risk for infection and complications while hospitalized and improve their post-surgical outcomes. He stated that the multidisciplinary teams are currently

implemented in six (6) health centers and that they will be rolled out to the remainder of Harris Health's health centers this summer. Dr. Ewan Johnson requested information regarding the updated recommendations by the American College of Endocrinology regarding diabetes patients who prefer to take oral medications instead of insulin. Dr. Gardner responded that he will provide Dr. Johnson with this information. A copy of the presentation is available in the permanent record.

C. Planning & Operations Oversight Committee Review and Action Items

Motion 17.03-32

Moved by Ms. Carolyn Truesdell, seconded by Dr. Kimberly Monday, and unanimously passed that the Board approve agenda items VI.C.1. and VI.C.2.

1. Approval to Transfer Funds in the Amount of \$75,000 for Fiscal Year 2018 to the Harris County Engineering Department to Provide Architectural, Engineering, Construction Management, and Other Services Required for the Northwest Health Center Heating, Ventilation, and Air-Conditioning Replacement
2. Approval to Transfer Funds in the Amount of \$1,199,530 to the Harris County Engineering Department to Provide Architectural, Engineering, Construction Management, and Other Related Services Required for the Ben Taub Hospital Kitchen Basement Sewer Project

Motion 17.03-33

Moved by Mr. Elvin Franklin, Jr., seconded by Ms. Carolyn Truesdell, and unanimously passed that the Board approve agenda items VI.C.3. through VI.C.11.

3. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and San Jacinto College District - Central (Associate Degree in Nursing Program).
4. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and Texas Women's University Institute for Health Sciences (Doctor of Occupational Therapy Program).
5. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and Alvin Community College (Associate of Applied Science in Diagnostic Cardiovascular Sonography Program).
6. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and Alvin Community College (Diagnostic Cardiovascular Sonography Certification Program).
7. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System, St. Joseph Medical Center LLC d/b/a St. Joseph Medical Center, and Lepow and Associates, L.L.P. (Podiatric Medicine and Surgery Residency with Reconstructive Rear Foot/Ankle Surgery Program).

8. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and The University of Texas Health Science Center at Houston (Master of Public Health in Healthcare Management Program).
9. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and The University of Texas Health Science Center at Houston School of Nursing (Doctor of Nursing Practice Program).
10. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and The University of Texas Medical Branch at Galveston (Bachelor of Science in Clinical Laboratory Sciences Program).
11. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and The University of Texas Medical Branch at Galveston (Master of Science in Clinical Laboratory Sciences Program).
12. Review and Discussion Regarding the Harris County Hospital District 401K & 457(b) Administrative Committee 2016 Annual Report.
13. Review and Discussion Regarding the Harris County Hospital District Pension & Disability Committee 2016 Annual Report.

Mr. Omar Reid, Senior Vice President, Human Resources, led the discussion regarding the Harris County Hospital District 401K & 457(b) Administrative Committee 2016 Annual Report and the Harris County Hospital District Pension & Disability Committee 2016 Annual Report. Mr. Elvin Franklin, Jr. inquired regarding how often Harris Health administration receives notice of the fund expense ratio for the investments in the 401K, 457(b), and pension and disability plans. Mr. Reid responded that he receives quarterly reports from the investment advisors. He also stated that the 401K & 457(b) Administrative Committee and the Pension & Disability Committee are fiduciaries of their respective plans. Copies of the annual reports are available in the permanent record.

Motion 17.03-34

Moved by Ms. Carolyn Truesdell, seconded by Dr. Ewan Johnson, and unanimously passed that the Board approve agenda items VI.C.14. through VI.C.22.

14. Approval to Ratify a Grant Agreement from the March of Dimes Foundation to Harris County Hospital District d/b/a Harris Health System in an Amount Not to Exceed \$4,000 to Provide Prenatal Health Education Classes for the Term February 1, 2017 Through December 31, 2017.
15. Approval to Ratify an Amendment to the Healthy Texas Women (HTW) Categorical Funding Contract Between Harris County Hospital District d/b/a Harris Health System and the Texas Health and Human Services Commission in an Amount Not to Exceed \$230,576 to Provide Women's Health Services, Effective January 1, 2017 Through August 31, 2017.
16. Approval to Ratify an Amendment to Increase a Grant Agreement by \$8,000 Between Harris County Hospital District d/b/a Harris Health System and the Parkland Health

& Hospital System (Formerly Dallas County Hospital District, The Parkland Foundation) for the South Central Region 6 AIDS Education and Training Center (Formerly Texas/Oklahoma AIDS Education and Training Center) for a Total Agreement Amount of \$118,000, Funded Under the Ryan White HIV/AIDS Treatment Extension Act of 2009 Part F, to Provide State-of-the-Art Education, Consultation, and Support to Healthcare Professionals Treating HIV-Positive Patients for the Term July 1, 2016 Through June 30, 2017.

17. Approval of a Point of Entry Agreement Between Harris County Hospital District d/b/a Harris Health System and Harris County Public Health and Environmental Services (HCPHES) to Provide a Service Linkage Program for HIV-Positive Clients Living in Harris County Who Are Identified as “Out of Care” for the Term April 1, 2017 Through December 31, 2017.
18. Approval to Amend the Term From September 1, 2016 Through August 31, 2019 to August 31, 2016 Through August 30, 2019 for the Subaward Agreement Between Harris County Hospital District d/b/a Harris Health System and Baylor College of Medicine and Acceptance of Grant Funding for the “Reducing Racial/Ethnic Disparities in CRC Screening: A Comprehensive EMR-Based Patient Navigation Program Including Technology-Driven CRC Outreach and Education” Project.
19. Approval to Amend the Term From September 1, 2016 Through August 31, 2019 to August 31, 2016 Through August 30, 2019 for the Subaward Agreement Between Harris County Hospital District d/b/a Harris Health System and Baylor College of Medicine and Acceptance of Grant Funding for the “Prevent Hepatocellular Carcinoma (HCC) Through Screening, Vaccination, and Treatment of Viral Hepatitis” Project.
20. Approval to Amend the Term From September 1, 2016 Through August 31, 2019 to August 31, 2016 Through August 30, 2019 for the Subaward Agreement Between Harris County Hospital District d/b/a Harris Health System and Baylor College of Medicine and Acceptance of Grant Funding for the “Leveraging a Community Network for Cancer Prevention to Increase HPV Vaccine Uptake and Completion Among Pediatric Patients in a Safety Net Healthcare Setting” Project.
21. Approval of Carry-Over Grant Funds in the Amount of \$25,831 From the United States Department of Health and Human Services Administration Ryan White HIV/AIDS Treatment Extension Act of 2009 Part F: Special Projects of National Significance to Harris County Hospital District d/b/a Harris Health System.
22. Approval of Carry-Over Grant Funds in the Amount of \$24,632 From the United States Department of Health and Human Services Administration Ryan White HIV/AIDS Treatment Extension Act of 2009 Part D to Harris County Hospital District d/b/a Harris Health System to Provide Outpatient Family-Centered Care for Women, Infants, Children, and Youth with HIV/AIDS.
23. Review and Discussion Regarding the Health Care for the Homeless Program Annual Expense Report for the Term January 1, 2016 Through December 31, 2016, as Required by the United States Department of Health and Human Services, Which Provides Funding to Harris County Hospital District d/b/a Harris Health System to Provide Health Services to Persons Experiencing Homelessness Under Section 330(h) of the Public Health Service Act Health Care for the Homeless Program.

D. Budget & Finance Committee Review and Action Items

Motion 17.03-35

Moved by Ms. Carol Graebner, seconded by Dr. Kimberly Monday, and passed that the Board approve agenda items VI.D.A(1)a. through VI.D.A(1)kk. Mr. Lawrence Finder recused himself from the following purchasing items: A(1)a., A(1)c., A(1)d., A(1)e., A(1)f., A(1)g., A(1)h., A(1)j., A(1)k., A(1)l., A(1)m., A(1)n., A(1)p., A(1)q., A(1)r., A(1)u., A(1)v., A(1)w., A(1)bb., A(1)cc., A(1)ff., A(1)gg., A(1)hh., A(1)jj., A(1)kk.

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

- a. approve the guaranteed maximum price for JE Dunn Construction to provide Construction Manager at-Risk services for the conversion of semi-private rooms at Ben Taub Hospital in the amount of \$1,378,518 (\$1,328,518 construction price / \$50,000 owner contingency).
- b. approve additional (budgeted) funds for Wylie Consulting Engineers to provide Engineering Services in the additional (budgeted) amount of \$200,000 for the term June 7, 2016 through June 6, 2017 (Board previously approved funds in the amount of \$100,000 for the term June 7, 2016 through June 6, 2017).
- c. approve purchase on the basis of sole source for Hitachi Aloka Medical America, Inc. to provide an intraoperative ultrasound system in the estimated amount of \$352,865 (\$245,865 equipment / \$107,000 consumables).
- d. approve third-year funding for the GPO contracts for CONMED Corporation [PP-OR-1161](\$8,448), Teleflex Medical Incorporated [PP-OR-1169](\$19,204), Applied Medical Resources Corporation [PP-OR-1160](\$129,205), Ethicon, Inc. Ethicon Endo-Surgery, Inc., A Johnson & Johnson Company [PP-OR-1164] (\$538,807), and Covidien Sales LLC [PP-OR-1162](\$1,863,599) (all through Cardinal Health) to provide endomechanical products in the estimated multi-vendor amount of \$2,559,263 for the term April 1, 2017 through March 31, 2018.
- e. approve third-year funding for the GPO contract for Ethicon, Inc. Ethico Endo-Surgery, Inc., A Johnson & Johnson Company [PP-OR-1156] through Cardinal Health to provide suture products in the estimated amount of \$823,630 for the term April 1, 2017 through March 31, 2018.
- f. approve second-year funding for the GPO contracts for Ansell Healthcare Products, LLC [PP-OR-1319](\$1,894), Molnlycke Health Care US, LLC [PP-OR-1322](\$24,274), and Medline Industries, LLC [PP-OR-1321](\$500,000) (all through Cardinal Health) to provide surgeon gloves in the estimated multi-vendor amount of \$526,168 for the term May 1, 2017 through April 30, 2018.
- g. approve first-year funding on the basis of best contract for Becton, Dickinson and Company [PP-NS-972](Option 1) through Cardinal Health to provide standard hypodermic products in the estimated amount of \$497,606 for the term October 1, 2016 through September 30, 2017.
- h. approve first-year funding on the basis of best GPO contracts for Medtronic USA Inc. [PP-CA-274] (Items 115-117) (\$5,770), Cardinal Health 200, LLC [PP-CA-275] (Items 106-114) (\$15,620), St. Jude Medical S.C. Inc. [PP-CA-276] (Items 142-

- 144) (\$31,500), Merit Medical Systems, Inc. – Option 2 [PP-CA-277] (Items 118-141) (\$39,001), Abbott Laboratories Inc. [PP-CA-273] (Items 1-14) (\$126,025), and Boston Scientific Corporation [PP-CA-272] (Items 15-105) (\$254,792) to provide diagnostic and interventional cardiology products in the estimated multi-vendor amount of \$472,708 for the term July 1, 2016 through June 30, 2017.
- i. approve first-year funding on the basis of lowest-priced contract for LSL Industries, Inc. d/b/a LSL Healthcare Inc. [PP-NS-988] through Cardinal Health to provide IV site management and accessories in the estimated amount of \$457,855 for the term January 1, 2017 through December 31, 2017.
 - j. approve purchase on the basis of best contract for Stryker Sales Corporation [PP-OR-1106] to provide a surgical sponge detection system in the estimated amount of \$410,184 for a one-year initial term with two (2) one-year renewal options.
 - k. approve third-year funding for the GPO contract for Applied Medical Resources Corporation [PP-OR-1171] to provide trocar products in the estimated amount of \$305,712 for the term April 1, 2017 through March 31, 2018.
 - l. approve first-year funding on the basis of single-source ASCEND contract for Covidien Sales LLC [AS-NS-976] through Cardinal Health to provide bandages, dressings and gauze in the estimated amount of \$291,240 for the term October 1, 2016 through September 30, 2017.
 - m. approve first-year funding on the basis of single-source ASCEND contract for Covidien Sales LLC [AS-NS-854] through Cardinal Health to provide ECG electrodes, cables, lead wires and defibrillator pads in the estimated amount of \$201,217 for the term October 1, 2016 through September 30, 2017.
 - n. approve purchase on the basis of best contract for Boston Scientific Corporation [PP-OR-1260] to provide gastrointestinal endoscopy products in the estimated (consumables) amount of \$199,008 for the term April 1, 2016 through March 31, 2019.
 - o. approve purchase on the basis of sole source Access Closure, Inc. d/b/a Cardinal Health 245 to provide MYNXGRIP[®] vascular closure devices in the estimated amount of \$193,404 for the term March 30, 2017 through February 28, 2018.
 - p. approve third-year funding and a corrected term for the GPO contract for Genzyme Corporation, A Sanofi Company [PPPH18SNA01] to provide a resorbable adhesion barrier in the estimated amount of \$187,247 for the term July 1, 2017 through June 30, 2018 (corrected term) (June 1, 2017 through May 31, 2018 as approved).
 - q. ratify additional (budgeted) funds and an extension for Stryker Sales Corporation through Stryker Endoscopy Division to provide laparoscopic surgical services in the additional (budgeted) amount of \$135,439 for the term February 5, 2017 through April 4, 2017 (Board previously approved funds in the amount of \$2,350,000 for the term February 5, 2016 through February 4, 2017).
 - r. approve first-year funding on the basis of lowest-priced contract for Smiths Medical ASD, Inc. [PP-OR-1365] through Cardinal Health to provide implantable

infusion ports in the estimated amount of \$132,172 for the term November 1, 2016 through October 31, 2017.

- s. approve renewal for Harris County Public Health Services to provide administrative assistance and management of Class D Pharmacies in the estimated revenue amount of \$33,100 for the term April 1, 2017 through March 31, 2018.
- t. approve provision for The University of Texas Health Science Center at Houston - School of Dentistry Office of Continuing Education to provide an oral health and HIV symposium in the estimated amount of \$9,000.
- u. approve an exemption from the competitive bid requirements for Baylor College of Medicine to provide physician services for the school-based teen clinic program in Precinct 1 in the estimated amount of \$150,000 for the term April 5, 2017 through April 4, 2018 with four (4) one-year renewal options.
- v. approve an exemption from the competitive bid requirements for Baylor College of Medicine to provide physician services for the school-based teen clinic program in Precinct 2 in the estimated amount of \$150,000 for the term April 16, 2017 through April 15, 2018 with four (4) one-year renewal options.
- w. approve an exemption from the competitive bid requirements and renewal for Baylor College of Medicine to provide physician services for the school-based teen clinic program in Precinct 3 in the estimated amount of \$150,000 for the term July 1, 2017 through June 30, 2018.
- x. approve award on the basis of best proposal meeting requirements for GLOBO Language Solutions, LLC to provide language interpretation services in the estimated amount of \$2,500,000 for a one-year initial term with four (4) one-year renewal options.
- y. approve the fourth and final renewal option for LSDP LLC d/b/a Lonestar Delivery & Process to provide courier services in the estimated amount of \$237,600 for the term April 1, 2017 through March 31, 2018.
- z. approve the third of four (4) renewal options for Acute Medical Services LLC (Primary Vendor) and Best Care EMS Ltd. (Secondary Vendor) to provide ambulance services in the estimated multi-vendor amount of \$1,000,000 for the term April 1, 2017 through March 31, 2018.
- aa. ratify utilization of the contract for Diamond Drugs, Inc. d/b/a Diamond Pharmacy Services to provide pharmaceutical dispensing for institutionalized persons of Harris County in the estimated amount of \$1,000,000 for the term February 1, 2017 through January 31, 2018.
- bb. approve an exemption from the competitive bid requirements for The University of Texas Health Science Center at Houston to provide oral and maxillofacial surgery outpatient services in the estimated amount of \$3,983,940 for the term April 1, 2017 through March 31, 2018 with three (3) one-year renewal options.
- cc. **REVISED**
approve the fourth and final renewal option for MedAssets Net Revenue Systems, LLC to provide a claims payment analysis solution in the estimated amount of \$628,213 for the term April 24, 2017 through April 23, 2018.

Mr. DeWight Dopslauf stated that Purchasing item A(1)cc. was **REVISED** to increase the estimated amount from \$439,661 to \$628,213.

- dd. ratify the third and final renewal option for Harris Health System to provide health care services and pharmaceuticals at certain residential facilities for the Harris County Community Supervision and Corrections Department in the amount of \$0 for the term March 1, 2017 through February 28, 2018.
- ee. ratify the third and final renewal option for Harris Health System to provide health care services at certain residential facilities for Harris County in the (reimbursement) amount of \$1,200,000 for the term March 1, 2017 through February 28, 2018.
- ff. approve the first of four (4) renewal options for Abbott Laboratories, Inc. to provide a blood gas testing system, including analyzer(s), reagents, consumables and services, in the estimated amount of \$1,821,158 for the term April 14, 2017 through April 13, 2018.
- gg. approve the third of four (4) renewal options for AMN Healthcare Inc.; Cross Country Staffing; Favorite Healthcare Staffing, Inc.; and SHC Services, Inc. d/b/a Supplemental Health Care to provide travel nursing temporary personnel in the estimated multi-vendor amount of \$3,000,000 for the term April 21, 2017 through April 20, 2018.
- hh. approve purchase for on the basis of sole source for Epic Systems Corporation to provide maintenance for Epic clinical and business software in the estimated amount of \$4,125,432 for the term April 1, 2017 through March 31, 2018.
- ii. approve the third of four (4) renewal options for Fibertown Houston, LLC to provide data center co-location services in the estimated amount of \$244,896 for the term May 15, 2017 through May 14, 2018.
- jj. approve purchase on the basis of sole source for Epic Systems Corporation to provide a clinical decision support (CDS) system in the estimated amount of \$167,600.
- kk. approve provision for The University of Texas Health Science Center at Houston to provide stroke telemedicine program services in the amount of \$72,000 for the term April 1, 2017 through March 31, 2018 with one (1) one-year renewal option.

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

- a. transmittal of purchase on the basis of best contract for Physio-Control, Inc. [PP-CA-269] to provide external defibrillators and related products in the amount of \$69,078.
- b. transmittal of award on the basis of only offer received for Brothers Produce Incorporated to provide produce in the estimated amount of \$89,500 for the term February 1, 2017 through May 31, 2017.
- c. transmittal of purchase on the basis of best contract for Stryker Sales Corporation [PP-OR-1207] through Instruments Division to provide vertebral compression

- fracture repair products in the estimated (consumables) amount \$87,265 for a one-year initial term with three (3) one-year renewal options.
- d. transmittal of first-year funding on the basis of best contract for Stryker Sales Corporation Endoscopy Division [PP-OR-1317] through Cardinal Health to provide laparoscopic suction irrigation products in the estimated amount of \$79,615 for the term May 1, 2016 through April 30, 2017.
 - e. transmittal of second-year funding for the GPO contract for Advance Medical Designs, Inc. [AS-OR-1302] to provide OR equipment drapes in the estimated amount of \$61,911 for the term April 1, 2017 through March 31, 2018.
 - f. transmittal of exemption from the competitive bid requirements for Bork Communication Group LLC to provide public relations consulting services in the amount of \$100,000 for the initial term of six (6) months with one (1) six-month renewal option.
 - g. transmittal of the second and final renewal option on the basis of sole source for Q-Matic Corporation to provide Q-Matic software support and maintenance in the estimated amount of \$53,110 for the term March 1, 2017 through February 28, 2018.
 - h. transmittal of purchase on the basis of sole source for Citrix Systems, Inc. to provide maintenance and support for Citrix software in the estimated amount of \$76,029 for the (six-month) term February 1, 2017 through July 31, 2017.
 - i. transmittal of purchase on the basis of low quote for DLT Solutions, LLC [DIR-TSO-3400] to provide SolarWinds software maintenance and support in the amount of \$63,091 for the term February 17, 2017 through February 16, 2018.
 - j. transmittal of purchase on the basis of only quote for Konica Minolta Business Solutions U.S.A., Inc. [DIR-TSO-3082] to provide a RightFax software upgrade in the amount of \$54,468.
 - k. transmittal of purchase on the basis of low quote for Solid Border, Inc. [DIR-TSO-2700] to provide maintenance for Rapid7 Nexpose vulnerability management software in the estimated amount of \$56,867 for the term February 28, 2017 through February 27, 2018.

Motion 17.03-36

Moved by Mr. Lawrence Finder, seconded by Mr. Elvin Franklin, Jr., and unanimously passed that the Board approve agenda item VI.D.3.

3. Acceptance of the Harris Health System February 2017 Financial Report Subject to Audit.

Mr. Michael Norby, Executive Vice President and Chief Financial Officer, presented the Harris Health System February 2017 Financial Report. He stated that overall volume and adjusted patient days were slightly under budget year-to-date as Fiscal Year 2017 (FY2017) came to a close in February 2017. Mr. Norby reported that there was a 2% increase in Marketplace coverage due to Harris Health's initiative to increase

Marketplace insurance enrollment. He stated that total revenue for FY2017 was approximately \$30M favorable to budget and that this was largely attributed to Harris Health's receipt of a \$40M favorable variance in ad valorem taxes. Mr. Norby explained that the incremental tax revenue will allow Harris Health to fund maintenance and infrastructure projects that were deferred due to budget constraints in prior years. He reported that Disproportionate Share Hospital and Uncompensated Care revenue was \$16M under budget and Delivery System Reform Incentive Payment revenue was \$3M under budget year-to-date. Mr. Norby stated that expenses were \$3M under budget year-to-date. Dr. Monday inquired regarding the reason that the number of births at Harris Health was 12% under budget year-to-date. Dr. Gardner responded that the decrease at Harris Health may be attributable to the expansion of Memorial Hermann Health System, CHI St. Luke's Health, and Houston Methodist Hospital, which allows these hospitals to increase their capacity to accept more obstetric patients. Dr. Monday requested that the Strategic Planning Retreat include a discussion regarding the effect to Harris Health's income if the obstetrics service line were eliminated. A copy of the report is available in the permanent record.

Motion 17.03-37

Moved by Mr. Lawrence Finder, seconded by Ms. Carol Graebner, and unanimously passed that the Board approve agenda item VI.D.4.

4. Acceptance of the Harris Health System Fourth Quarter FY2017 Investment Report.

Mr. Norby presented the Harris Health System Fourth Quarter FY2017 Investment Report. He reported that as of February 28, 2017, the investment balance was \$868.8M. A copy of the report is available in the permanent record.

Motion 17.03-38

Moved by Dr. Kimberly Monday, seconded by Mr. Lawrence Finder, and unanimously passed that the Board approve agenda item VI.D.5.

5. Approval of a Business Associate Agreement Between Harris County Hospital District d/b/a Harris Health System and Harris County, Texas.

Mr. R. King Hillier presented the Business Associate Agreement between Harris County Hospital District d/b/a Harris Health System and Harris County, Texas. He explained that this Agreement will allow Harris Health to utilize Harris County software to map Harris Health patients and employees according to state congressional districts and Harris County precincts. A copy of the Agreement is available in the permanent record.

6. **PULLED**

Consideration of Approval of the New Harris Health System Policy No. 5.04, Funded Billing.

Motion 17.03-39

Moved by Ms. Anne Clutterbuck, seconded by Ms. Carol Graebner, and unanimously passed that the Board approve agenda item VI.D.7.

7. Approval to Ratify the Final 2017 Fiscal Year Budget for Community Health Choice, Inc.

Mr. Kenneth Janda, President and Chief Executive Officer, Community Health Choice, Inc. (CHC, Inc.), presented the final 2017 Fiscal Year Budget for CHC, Inc. He stated that the growth that CHC, Inc. experienced in 2016 continues into early 2017 as the organization's membership increased from 350,000 to more than 400,000. Mr. Janda reported that 160,000 of CHC, Inc.'s 440,000 members are enrolled in Marketplace insurance plans. He stated that CHC, Inc. experienced a loss of \$18M at the end of 2016, which was attributed to the underestimation of CHC, Inc.'s ACA risk adjustment program repayment and higher than expected prescription drug costs for Marketplace members. Mr. Janda explained that the risks for CHC, Inc. include the following: 1) Marketplace growth and instability; 2) CHC, Inc.'s risk-based capital position; 3) the ACA risk adjustment process; 4) the possible effect that repeal and replace of the ACA will have regarding Marketplace membership; 5) increases in prescription drug costs; and 6) additional stress to CHC, Inc.'s staff, systems, and operations due to rapid growth. He reported that CHC, Inc. already achieved its budgeted membership target for 2017 of 443,000 members. Mr. Janda projected that CHC, Inc. will achieve net income of \$17M on \$1.4B in revenue in 2017. He announced that he will present CHC, Inc.'s quarterly financial report at the April 2017 Board meeting and that the report will include information regarding risk-based capital percentages. Ms. Carol Graebner requested that Mr. Janda provide the Board with information regarding CHC, Inc.'s plan to increase its risk-based capital from 200% to 300%. A copy of the CHC, Inc. Fiscal Year 2017 budget is available in the permanent record.

E. Miscellaneous Action Items

Motion 17.03-40

Moved by Ms. Carolyn Truesdell, seconded by Mr. Lawrence Finder, and unanimously passed that the Board approve agenda item VI.E.1.

1. Acceptance of the Resignation of a Board Member from the Community Health Choice, Inc. and Community Health Choice Texas, Inc. (Collectively Called "Community") Board of Directors in Accordance with the Bylaws of Community.

Mr. Janda presented the resignation of Ms. Daisy Stiner from the Community Board of Directors. The Board expressed its gratitude for Ms. Stiner's service on the Community Board of Directors.

VII. Executive Session

At 11:36 a.m., Ms. Clutterbuck stated that the Board would enter into Executive Session under

Texas Health & Safety Code §161.032, Texas Occupations Code Ann. §160.007, Texas Gov't Code Ann. §551.085, and Texas Gov't Code Ann. §551.074.

VIII. Reconvene

At 1:26 p.m., Ms. Clutterbuck reconvened the meeting and stated that no action was taken in Executive Session.

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

No action was taken.

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

No action was taken.

- C. 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.

No action was taken.

- D. Discussion of Duties and Compensation Regarding the President/CEO, Executive Vice President/CFO, Executive Vice Presidents for Ben Taub and LBJ Hospitals, Executive Vice President/Chief Information Officer, Executive Vice President/Ambulatory Care Services, Executive Vice President/Chief Medical Officer, Senior Vice President/Chief Business Development and Strategy Officer, Senior Vice President/Corporate Compliance, Senior Vice President/Chief Nursing Executive, Senior Vice President/Human Resources, Senior Vice President/Support Services, Vice President/Chief Governance Officer, Vice President/Chief Development Officer, Vice President/Public Policy & Government Relations, Associate Administrator/Advanced Analytics & Business Strategy and Executive Director/Foundation, Pursuant to Texas Gov't Code Ann. §551.074, and Possible Action Upon Return to Open Session.

No action was taken.

IX. Adjournment

Moved by Dr. Kimberly Monday, seconded by Dr. Ewan Johnson, and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at 1:27 p.m.

I certify that the foregoing are the Minutes of the meeting of the Board of Trustees of the Harris County Hospital District d/b/a Harris Health System held at the Administration Building in Houston, Texas on March 30, 2017.

Respectfully submitted,



Ms. Anne Clutterbuck, Chair
Board of Trustees



Ms. Daisy Stiner, Secretary
Board of Trustees

Recorded by Kenya Shields