

HARRIS HEALTH SYSTEM

HARRIS HEALTH SYSTEM MINUTES OF THE BOARD OF TRUSTEES MEETING

Thursday, January 26, 2017

Board Room – Administration Building

Members Present:

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

Members Absent:

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
Mr. Alan Vierling, Executive Vice President & Administrator, Lyndon B. Johnson Hospital
Dr. Jose Garcia, General Director, Affiliated Medical Services
Dr. David Robinson, Chair, Medical Executive Board
Dr. Kenneth Mattox, Chief of Staff, Ben Taub Hospital
Dr. Mohammad Zare, Chief of Staff, Ambulatory Care Services
Ms. Mercedes Leal, Attorney, Harris County Attorney's Office
Mr. DeWight Dopslauf, Purchasing Agent, Harris County Purchasing
Ms. Peggy Boice, Harris County Judge Ed Emmett's Office
Ms. Carole Lamont, Commissioner Steve Radack's Office
Mr. Paul Shanklin, Commissioner Jack Cagle's Office
Mr. August Williams, Commissioner Jack Morman's Office
Administrative Staff
Guests
(Sign-in Sheets attached to permanent record)

I. Call to Order and Record of Attendance

Mr. Elvin Franklin, Jr., Chair, called the meeting to order at 9:05 a.m., and noted that a quorum was present. The attendance was recorded.

II. Approval of the Minutes of Previous Meeting

Motion 17.01-01

Moved by Ms. Anne Clutterbuck, seconded by Dr. Kimberly Monday, and unanimously passed that the Board approve the minutes of the December 1, 2016 Board of Trustees meeting.

III. Announcements / Special Presentations

A. Special Recognition – Mr. Elvin Franklin, Jr. recognized Dr. Donald R. Butts for his service as a member of the Harris Health System Board of Trustees. He stated that the Board appreciated the insight and knowledge that Dr. Butts provided during his tenure as a Board member and he presented Dr. Butts with an award and a resolution on behalf of the Board. Several Board members expressed their appreciation to Dr. Butts for his service.

B. Special Recognition – Mr. George Masi, President and Chief Executive Officer, recognized Dr. Carmel Dyer for her years of service with Harris Health System as the Chief of Staff of Lyndon B. Johnson Hospital (LBJH). He stated that under Dr. Dyer's transformative leadership, LBJH significantly improved the quality of care it provided to patients and increased the levels of satisfaction among its patients and medical staff. Mr. Masi commended Dr. Dyer for her innovative work in the areas of community care, home health care, and elder care. Mr. Alan Vierling, Executive Vice President and Administrator, LBJH, expressed his appreciation to Dr. Dyer for her competency and compassion as Chief of Staff, and he presented her with an award and a signed portrait on behalf of the LBJH staff. Several Board members thanked Dr. Dyer for her service, for her devotion to her patients, and for her work in the Harris County community. Mr. Franklin presented Dr. Dyer with a resolution on behalf of the Board. Dr. Dyer thanked the Board for its leadership and governance, she thanked the staff of LBJH for their dedication, and she expressed her appreciation for Harris Health's attention to quality and its mission to provide healthcare access to all patients.

C. Special Recognition – Dr. Jennifer Small, Vice President of Operations and Associate Administrator, Ambulatory Care Services (ACS), recognized the Central Fill Pharmacy Project as one of the finalists for the DNV Healthcare Innovation of the Year Award. She stated that the Central Fill Pharmacy Project created an automated ambulatory pharmacy with the capacity to dispense 8,000 prescriptions per shift within a 24-hour turnaround period. Dr. Therese Hoffman, Director of Pharmacy, ACS, recognized the HarborPath/AIDS Drug Assistance Program, which provides HIV-related medications to low-income patients who have limited or no prescription drug coverage. She stated that Harris Health saved \$1.8M in pharmaceutical costs as a result of collaboration with the HarborPath organization.

IV. Hear from Citizens

Mr. Walter Protheroe stated that he received a letter from Mr. Masi which stated that Harris Health responded fully to Mr. Protheroe's inquiries regarding falsifications in his medical records. Mr. Protheroe informed the Board that he disagrees with Mr. Masi's letter and that he is not receiving proper diagnoses or treatment by physicians at Ben

Taub Hospital (BTH). He stated that he contacted Harris Health's Risk Management department regarding issues that arose during his latest radiology procedure at BTH but that Risk Management requested to review copies Mr. Protheroe's audio and video recordings of the procedure before releasing his medical records. Mr. Protheroe stated that he refuses to provide this information.

Mr. Darryl Lathan stated that he is a transgender woman and that following his last appointment at the Martin Luther King Health Center, he was approached by a security guard after he utilized the ladies' restroom. He explained that the security guard announced that he was to utilize the men's restroom and escorted him to the men's restroom in front of the staff and other patients. Mr. Lathan noted that he filed a complaint regarding this incident with Mr. Michael Brown, Senior Patient Liaison, Patient/Customer Relations, and that he recently received notice that the issue was resolved and that he has permission to utilize the ladies' restroom. He thanked Harris Health for its assistance and complimented the organization for the service it provides.

Ms. Glenda Caldwell stated that in 2014 her teeth required removal due to decay and that she needed surgical tooth implants to provide adherence for partial dentures. She explained that in November 2014 she was requested to verify the proposed dental procedures and she noted that neither the dental implants nor the partial dentures were included in the automated record in Epic. Ms. Caldwell stated that the complete list of recommended procedures, which included the information regarding the dental implants and partials, was stored in a temporary electronic file that had not been uploaded into the Epic system. She was informed that Harris Health's Information Technology department needed to repair this issue before she could obtain a copy of her original paperwork. Ms. Caldwell stated that she has waited for two (2) years for resolution and continues to suffer abscesses and pain. Mr. Franklin responded that he will collaborate with Mr. Masi to determine an immediate solution to Ms. Caldwell's problem.

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

Motion 17.01-02

Moved by Ms. Daisy Stiner, seconded by Ms. Anne Clutterbuck, and passed that the Board approve agenda items V.A(1)a through V.A(1)mm and V.A(1)oo. through V.A(1)ooo.

Mr. Lawrence Finder recused himself from the following purchasing items: A(1)a., A(1)b., A(1)c., A(1)d., A(1)e., A(1)f., A(1)g., A(1)j., A(1)l., A(1)m., A(1)o., A(1)p., A(1)r., A(1)t., A(1)u., A(1)w., A(1)y., A(1)z., A(1)aa., A(1)bb., A(1)cc., A(1)ee., A(1)ff., A(1)ii., A(1)jj., A(1)kk., A(1)ll., A(1)nn., A(1)qq., A(1)ss., A(1)tt., A(1)uu., A(1)vv., A(1)xx., and A(1)yy.

A. Items Related to Purchasing

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

- a. approve purchase on the basis of best contract for Olympus America Inc. [PP-OR-1127] to provide flexible surgical endoscopy and video equipment in the amount of \$3,302,635.

- b. approve purchase on the basis of best contract for KARL STORZ Endoscopy-America, Inc. [PP-OR-1130] to provide surgical endoscopy and video equipment-rigid in the amount of \$690,527.
- c. approve purchase on the basis of lowest-priced contract for KARL STORZ Endoscopy-America, Inc. [PP-OR-1130] to provide surgical endoscopy and video equipment-rigid in the amount of \$307,719.
- d. approve purchase on the basis of best contract for Olympus America Inc. [PP-OR-1129] to provide surgical endoscopy and video equipment-rigid in the amount of \$293,112.
- e. approve purchase on the basis of best contract for Olympus America Inc. [PP-OR-1129] to provide surgical endoscopy and video equipment-rigid in the amount of \$288,648.
- f. approve 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 \$684,992.
- g. approve the guaranteed maximum price for JE Dunn Construction to provide construction manager at-risk services for the conversion of semi-private rooms at Lyndon B. Johnson Hospital for the Harris County Hospital District d/b/a Harris Health System – Phase Task Order 13 in the amount of \$460,157.
- h. approve the second and final renewal option for Wald Relocation Services, Ltd. to provide system-wide move consultant and mover services in the estimated amount of \$350,000 for the term February 12, 2017 through February 11, 2018.
- i. approve an exemption from the competitive bid requirements for BLW Security Group to provide professional engineering services in the estimated amount of \$200,000 for a one-year initial term with two (2) one-year renewal options.
- j. approve the third of four (4) renewal options for FujiFilm Medical Systems, USA, Inc. to provide service and maintenance for computed radiography equipment in the estimated amount of \$195,300 for the term March 1, 2017 through February 28, 2018.
- k. approve purchase on the basis of lowest-priced contract for HBI Office Solutions, Inc. to provide furniture and systems, casegoods, seating, and accessories in the amount of \$150,944.
- l. approve award on the basis of lowest-priced proposals meeting requirements for Brown & Root Industrial Services LLC (Primary); Centennial Contractors Enterprises, Inc. (Secondary); and Jamail & Smith Construction, LP (Tertiary) to provide job order contracting for small and large construction and/or construction-related projects in the estimated amount of \$7,477,300 for a one-year initial term with four (4) one-year renewal options.
- m. approve the first of four (4) renewal options for Luby's Fuddruckers Restaurants, LLC to provide food services in the estimated amount of \$1,290,551 for the term March 7, 2017 through March 6, 2018.

- n. approve purchase as an exception to the Harris Health System Purchasing Manual bid requirements for Ben E. Keith Co. to provide proprietary food and associated products in the estimated amount of \$225,940 for the term March 1, 2017 through February 28, 2018.
- o. ratify utilization of the contract for Hearst Newspapers Partnership LP, Houston Chronicle Publishing Co. Div. to provide marketing, public relations, and recruitment activities, and to publish public notices in the estimated amount of \$475,000 for the term October 1, 2016 through September 30, 2017.
- p. approve fourth-year funding for the GPO contract for Baxter Healthcare Corporation [PP-IV-133] through Cardinal Health to provide IV fluids, bag-based drug delivery, and Total Parenteral Nutrition macronutrients in the estimated amount of \$2,433,806 for the term February 1, 2017 through January 31, 2018.
- q. approve funding for Year Four of a five-year Agreement for Masimo Americas Inc. [PP-MM-305] to provide pulse oximetry devices in the estimated amount of \$1,650,502 for the term January 21, 2017 through January 20, 2018.
- r. approve second-year funding for the GPO contract for Olympus America Inc. [PP-OR-1261] (\$60,292) and Boston Scientific Corporation [PP-OR-1260] (\$1,236,061) to provide gastrointestinal endoscopy products in the estimated multi-vendor amount of \$1,296,353 for the term February 1, 2017 through January 31, 2018.
- s. approve first-year funding on the basis of best contract for Standard Textile Company Inc. [PP-FA-507] to provide reusable textiles and textile services in the estimated amount of \$1,245,083 for the term December 1, 2016 through November 30, 2017.
- t. ratify third-year funding for the GPO contracts for C.R. Bard Inc. [PP-OR-1144] (\$1,989); Olympus America Inc. [PP-OR-1147] (\$5,639); Cook Medical Inc. [PP-OR-1146] (\$131,649); and Boston Scientific Company [PP-OR-1145] (\$635,138) to provide specialty urological products in the estimated multi-vendor amount of \$774,415 for the term January 1, 2017 through December 31, 2017.
- u. approve the third of four (4) renewal options for Ricoh USA, Inc. [DIR-TSO-3041] to provide photocopier/scanner lease and services in the estimated amount of \$578,114 for the term March 1, 2017 through February 28, 2018.
- v. approve additional (budgeted) funds and an extension for the Texas Medical Center – Hospital Cooperative Laundry Association to provide linen processing, cart building and transportation services in the additional (budgeted) amount of \$529,780 for the extended term February 23, 2017 through May 31, 2017 (Board previously approved funds in the amount of \$2,119,120 for the term February 23, 2016 through February 22, 2017).
- w. approve third-year funding for the GPO contract for Welch Allyn Inc. [PP-MM-303] through Cardinal Health to provide blood pressure cuffs and accessories in the estimated amount of \$524,537 for the term March 1, 2017 through February 28, 2018.

- x. approve the first of four (4) renewal options for Praxair Healthcare Services, Inc. [PP-MM-281; PP-MM-285] to provide bulk liquid oxygen, tanks, and various gases in the estimated amount of \$330,204 for the term February 16, 2017 through February 15, 2018.
- y. approve second-year funding for the GPO contracts for B. Braun Medical Inc. [PP-OR-1268] (\$57,856); Smiths Medical ASD, Inc. [PP-OR-1265] (\$83,529); and Teleflex Medical Incorporated [PP-OR-1267] (\$96,255) all through Cardinal Health to provide regional anesthesia trays in the estimated multi-vendor amount of \$237,640 for the term February 1, 2017 through January 31, 2018.
- z. approve second-year funding for the GPO contracts for Integra LifeSciences Sales, LLC [PP-OR-1281] (\$2,790); KARL STORZ Endoscopy-America, Inc. [PP-OR-1282] (\$6,846); Aesculap, Inc. [PP-OR-1278] (\$14,040); Novo Surgical, Inc. [PP-OR-1284] (\$39,733); and CareFusion 2200, Inc. [PP-OR-1279] (\$173,179) to provide surgical instruments in the estimated multi-vendor amount of \$236,588 for the term February 1, 2017 through January 31, 2018.
- aa. ratify second-year funding for the GPO contract for Cardinal Health 200, LLC [PP-NS-892] through Cardinal Health to provide disposable non-sterile protective apparel in the estimated amount of \$215,944 for the term December 1, 2016 through November 30, 2017.
- bb. approve first-year funding on the basis of best contract for Sage Products, LLC [PP-NS-958] through Cardinal Health to provide oral care products in the estimated amount of \$166,608 for the term August 1, 2016 through July 31, 2017.
- cc. approve first-year funding on the basis of lowest-priced contract for Medline Industries Inc. [PP-AC-108] to provide mobility aids in the estimated amount of \$151,659 for the term August 1, 2016 through July 31, 2017.
- dd. approve purchase on the basis of sole source for The SHOWERsleeve and CASTcover Company through Alamo Scientific, Inc. to provide disposable shower sleeves and cast covers in the estimated amount of \$120,000 for the term January 28, 2017 through January 27, 2018.
- ee. approve awards on the basis of best proposals meeting requirements for Stryker Orthopaedics, a part of Howmedica Osteonics Corp. (\$53,887); DePuy Synthes Sales, Inc. (\$1,087,193); Zimmer Biomet (\$1,285,358); and Smith & Nephew, Inc. (\$1,323,539) to provide orthopedic implants in the estimated multi-vendor amount of \$3,749,977 for a one-year initial term with four (4) one-year renewal options.
- ff. approve award on the basis of best proposal for Bausch and Lomb, a Division of Valeant Pharmaceuticals International, to provide vitreoretinal and glaucoma instrumentation and consumables in the amount of \$100,970 for a one-year initial term with four (4) one-year renewal options.
- gg. approve the first of four (4) renewal options for CoreLink, LLC to provide spinal implants and related products (supplemental) in the estimated amount of \$615,295 for the term January 28, 2017 through January 27, 2018.

- hh. approve first-year funding on the basis of best contract for LifeCell Corporation [PP-OR-1338] to provide biological mesh products in the estimated amount of \$449,313 for the term October 1, 2016 through September 30, 2017.
- ii. approve purchase for Glaxo Smith Kline – Fluarix [VG-2005] (\$1,666); Sanofi Pasteur – Fluzone [VG-1995] (\$11,146); and Seqirus – Fluvirin [VG-3081] (\$512,050) to provide influenza vaccine (outpatient) for the 2016-2017 season in the estimated multi-vendor amount of \$524,862.
- jj. approve purchase for Protein Sciences - Flubok [PPPW13FFF01] (\$358); Sanofi Pasteur – Fluzone [PPPH18CNT02] (\$24,028); and Seqirus – Fluvirin [PPPH18CSL01] (\$178,117) to provide influenza vaccine for the 2016-2017 season in the estimated multi-vendor amount of \$202,503.
- kk. approve fourth-year funding for the GPO contract for ICU Medical Inc. [PP-IV-126] to provide infusion sets and accessories utilized in chemotherapy treatments in the estimated amount of \$277,518 for the term February 1, 2017 through January 31, 2018.
- ll. approve an exemption from the competitive bid requirements for Baylor College of Medicine to provide various medical services to eligible HIV-infected patients in the (Ryan White Grant funds) amount of \$1,021,479 for the term March 1, 2017 through February 28, 2018.
- mm. approve provision for The University of Texas Health Science Center at Houston (Department of General Medicine) to provide primary medical care services to eligible HIV-infected patients in the (Ryan White Grant funds) amount of \$490,172 for the term March 1, 2017 through February 28, 2018.
- nn. **PULLED**
ratify an exemption from the competitive bid requirements for Baylor College of Medicine to provide a physician to provide nephrology services at Riverside Dialysis Center in the estimated amount of \$450,000 for the term January 1, 2017 through December 31, 2017 with continuous one-year renewal options.
- oo. approve award on the basis of lowest-priced proposal meeting requirements for Coker Group Holdings, LLC to provide healthcare contract negotiation services in the estimated amount of \$500,864 for a one-year initial term with four (4) one-year renewal options.
- pp. approve award on the basis of best bid for Southwest Elevator Company d/b/a Oracle Elevator Company to provide maintenance and repair of vertical transportation equipment in the estimated amount of \$1,008,290 for the term February 1, 2017 through January 31, 2018 with four (4) one-year renewal options.
- qq. approve additional (budgeted) funds and an extension for Abbott Diabetes Care Sales Corporation to provide point-of-care glucometer analyzers, reagents, consumables, service, and training in the additional (budgeted) amount of \$583,061 for the extended term March 1, 2017 through August 1, 2017 (Board previously approved funds in the amount of \$2,537,066 for the term March 1, 2015 through February 28, 2017).

- rr. approve the first of four (4) renewal options for Environmental Testing Services, Inc. to provide assessment, maintenance, and repairs of piped medical gas and vacuum systems in the estimated amount of \$136,680 for the term February 1, 2017 through January 31, 2018.
- ss. approve funding for the GPO contract for Bio-Rad Laboratories [PP-LA-417] to provide blood bank analyzers, reagents, consumables, and service in the estimated amount of \$103,526 for the term February 1, 2017 through January 31, 2018.
- tt. approve the first of four (4) renewal options for Metropolitan Life Insurance Company to provide Dental Health Maintenance Organization and Dental Preferred Provider Organization insurance in the estimated amount of \$4,467,566 for the term March 1, 2017 through February 28, 2018.
- uu. approve the second of three (3) renewal options for Life Insurance Company of North America (“Cigna”) to provide short-term disability coverage in the estimated amount of \$2,090,460 for the term March 1, 2017 through February 28, 2018.
- vv. approve the first of four (4) renewal options for Reliance Standard Life Insurance Company through Insurance Point, a division of Gallagher Benefit Services, Inc., to provide basic and voluntary life and accidental death and dismemberment insurance in the estimated amount of \$1,824,365 for the term March 1, 2017 through February 28, 2018.
- ww. approve the first of four (4) renewal options for Davis Vision, Inc. to provide vision insurance for Harris Health System employees and retirees in the estimated amount of \$852,065 for the term March 1, 2017 through February 28, 2018.
- xx. approve the first of four (4) renewal options for Reliance Standard Life Insurance Company to provide long-term disability insurance in the estimated amount of \$910,300 for the term March 1, 2017 through February 28, 2018.
- yy. approve awards on the basis of best bids for Accounting Principals, Inc. d/b/a Ajilon; The Burnett Companies Consolidated, Inc. d/b/a Burnett Specialists; Howroyd Wright Employment Agency, Inc. d/b/a AppleOne Employment Services; and Superior Talent Resources, Inc. to provide call center temporary personnel in the estimated multi-vendor amount of \$750,000 for the term January 26, 2017 through January 25, 2018 with four (4) one-year renewal options.
- zz. approve renewal for Harris County to provide discharge planning and continuity of care for HIV-positive inmates in the custody of the Harris County Sheriff’s Office in the amount of \$0 for the term February 16, 2017 through February 15, 2018.
- aaa. ratify provision for Harris Health System to provide housekeeping services for space leased to The Harris Center for Mental Health and IDD for the Neuro-Psychiatric Center at Ben Taub Hospital in the estimated revenue amount of \$160,639 for the term January 1, 2017 through December 31, 2017 with continuous one-year renewal options.
- bbb. approve award on the basis of low quote per group for HBI Office Solutions, Inc. – Group 2 (\$10,306); McCoy Rockford, Inc. – Group 3 (\$119,165); J. Tyler Services, Inc. – Groups 1 & 4 (\$140,892); and Staples Contract & Commercial, Inc.

– Group 5 (\$180,796) to provide furniture for the Ben Taub Tower Specialty Clinics relocation project in the multi-vendor amount of \$451,159.

- ccc. approve an exemption from the competitive bid requirements for Morris Architects to provide professional architectural, engineering, and design services for Phases 8-10 of the Ben Taub Hospital semi-private room conversion project in the amount of \$187,378.
- ddd. approve award on the basis of lowest complete bid meeting specifications for Berkeley Outside Services, Inc. to provide power washing and re-stripping of the Ben Taub Hospital parking garage in the amount of \$126,710.
- eee. approve the second and final renewal option for G&K Services, Inc. [TASB BuyBoard #146-12] to provide mat and mop services in the estimated amount of \$274,066 for the term January 29, 2017 through January 28, 2018.
- fff. approve purchase on the basis of low quote for SHI Government Solutions, Inc. [DIR-TSO-2660] to provide single sign-on software, hardware, maintenance, and related services in the estimated amount of \$1,599,968.
- ggg. approve renewal on the basis of sole source for Oracle America, Inc. to provide PeopleSoft software license and support in the estimated amount of \$765,077 for the term March 1, 2017 through February 28, 2018.
- hhh. approve purchase on the basis of sole source for Epic Systems Corporation to provide licenses, implementation, and support services for EpicCare Inpatient Infection Control software in the estimated amount of \$458,932.
- iii. ratify the second of four (4) renewal options for Planet Technologies [DIR-SDD-1945] to provide Microsoft SharePoint development services in the estimated amount of \$338,780 for the term November 5, 2016 through November 4, 2017.
- jjj. approve purchase on the basis of only quote for Set Solutions, Inc. [DIR-SDD-2035] to provide FireEye Network Security hardware and software in the estimated amount of \$164,406.

The Purchasing spreadsheet was **REVISED** to add Mr. Jeffrey Vinson, Vice President and Chief Information Security Officer, as the project owner for A(1)jjj.

- kkk. approve purchase on the basis of low quote for Accudata Systems, Inc. [Choice Partners 13/068DG-01] to provide Websense data loss prevention software in the estimated amount of \$139,349 for the term February 18, 2017 through February 17, 2018 with two (2) one-year renewal options.

The Purchasing spreadsheet was **REVISED** to add Mr. Jeffrey Vinson, Vice President and Chief Information Security Officer, as the project owner for A(1)kkk.

- lll. approve additional (budgeted) funds for Oracle America, Inc. [DIR-TSO-2539] to provide Oracle interface engine implementation services in the additional (budgeted) amount of \$136,687 for the term April 4, 2016 through April 3, 2017 (Board previously approved funds in the amount of \$655,836 for the term April 4, 2016 through April 3, 2017).

mmm. approve additional (budgeted) funds for Mark III Systems [13/068DG-27] to provide VMware software maintenance in the additional (budgeted) amount of \$117,059 for the term October 24, 2016 through December 22, 2017 (Board previously approved funds in the amount of \$137,407 for the term October 24, 2016 through December 22, 2017).

nnn. approve purchase on the basis of only quote for TSA, Inc. [DIR-TSO-2538] to provide Hewlett Packard hardware in the amount of \$104,435.

ooo. approve award on the basis of only proposal received for SCC Soft Computer to provide a blood bank information system in the estimated amount of \$617,924 for a one-year initial term with four (4) one-year renewal options.

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

- a. transmittal of the first of four (4) renewal options for The Gordian Group, Inc. to provide consulting services for a job order contracting management system in the estimated amount of \$99,999 for the term December 23, 2016 through December 22, 2017.
- b. transmittal of purchase on the basis of single-source contract for Carl Zeiss Meditec, Inc. [PP-OR-1300] to provide surgical microscope products in the amount of \$86,640.
- c. transmittal of purchase on the basis of sole source for ECRI Institute to provide SELECTplus™ Services, Alerts Tracker™, and PriceGuide™ healthcare assessment programs in the estimated amount of \$67,004 for the term February 8, 2017 through February 7, 2018.
- d. transmittal of purchase on the basis of lowest-priced contract for Innerspace, a Stanley Black and Decker Inc. Company [PP-FA-487], to provide modular casework, storage systems, and mobile carts in the amount of \$65,772.
- e. transmittal of award on the basis of lowest-priced proposal for Alcon Laboratories, Inc. to provide a vitreoretinal surgical system in the amount of \$95,282 for a one-year initial term with four (4) one-year renewal options.
- f. transmittal of the corrected term and amount for the American Academy of Pediatrics (AAP) to provide neonatal intensive care unit designation in the (corrected) amount of \$30,000 for a three-year initial term with continuous three-year renewal options (corrected term); \$12,000 for the term January 1, 2017 through December 31, 2017 with one-year renewal options (as approved).
- g. transmittal of second-year funding for the GPO contracts for Smiths Medical ASD, Inc. [PP-OR-1250] (\$2,463) and Covidien Sales, LLC [PP-OR-1249] (\$75,548) (all through Cardinal Health) to provide tracheostomy tubes and related products in the estimated multi-vendor amount of \$78,011 for the term January 1, 2017 through December 31, 2017.
- h. transmittal of utilization of the contract for Nestle Waters North America Inc. to provide steam distilled and drinking bottled water and rental of water coolers in

the estimated amount of \$71,681 for the term November 1, 2016 through October 31, 2017.

- i. transmittal of third-year funding for the GPO contracts for Steris Corporation [PP-MM-316] (\$7,940); Johnson & Johnson Health Care Systems, Inc. [PP-MM-328] (\$29,242); and Medivators Inc. [PP-MM-314] (\$33,091) to provide automated endoscopic reprocessors in the estimated multi-vendor amount of \$70,273 for the term March 1, 2017 through February 28, 2018.
- j. transmittal of second-year funding for the GPO contract for Covidien Sales, LLC [PP-OR-1253] through Cardinal Health to provide endotracheal tubes and related products in the estimated amount of \$68,107 for the term January 1, 2017 through December 31, 2017.
- k. transmittal of award on the basis of only bid received and a modification of contract for Staxi Corporation to provide heavy duty medical transport chairs and accessories in the estimated amount of \$54,309 for the term November 1, 2016 through October 31, 2017 with four (4) one-year renewal options.
- l. transmittal of award on the basis of lowest-priced proposal meeting requirements for WIS International to provide physical inventory services for pharmacy drugs and devices in the estimated amount of \$74,000 for a one-year initial term with four (4) one-year renewal options.
- m. transmittal of a corrected term for the University of Houston to provide clinical neuropsychology consultation services for HIV-positive patients in the (unrestricted grant funds) amount of \$42,489 for the term November 1, 2016 through October 31, 2017 (corrected term); June 1, 2016 through May 31, 2017 (as approved).
- n. transmittal of second-year funding for the GPO contract for Immucor, Inc. [PP-LA-416] to provide traditional blood bank reagents in the estimated amount of \$68,164 for the term February 1, 2017 through January 31, 2018.
- o. transmittal of funding for Year Two of a two-year Agreement on the basis of sole source for LinkedIn Corporation to provide recruitment and networking subscription services in the estimated amount of \$92,521 for the term December 31, 2016 through December 30, 2017.
- p. transmittal of award on the basis of best proposal meeting requirements for Cenikor Foundation to provide residential substance abuse treatment services for the Health Care for the Homeless Program in the estimated amount of \$45,000 for a one-year initial term with two (2) one-year renewal options.
- q. transmittal of purchase on the basis of only quote for General Datatech, L.P. [DIR-TSO-2542] to provide Cisco equipment required for the Information Technology Network Test Lab in the amount of \$99,403.
- r. transmittal of renewal on the basis of sole source for Virtual Hold Technology, LLC to provide call center Virtual Hold® queuing system software license, maintenance, and support in the estimated amount of \$66,898 for the term December 23, 2016 through December 22, 2017.

- s. transmittal of the second of two (2) renewal options on the basis of sole source for CA, Inc. to provide Service Desk Manager software maintenance and support in the estimated amount of \$58,016 for the term December 16, 2016 through December 15, 2017.
- t. transmittal of additional (budgeted) funds for Oracle America, Inc. [DIR-TSO-2539] to provide Oracle interface engine implementation services in the additional (budgeted) amount of \$37,533 for the term April 4, 2016 through April 3, 2017 (Board previously approved funds in the amount of \$655,836 for the term April 4, 2016 through April 3, 2017).
- u. transmittal of award on the basis of lowest most complete bid for Galls, LLC to provide uniforms and related items in the amount of \$98,547 for the term February 1, 2017 through January 31, 2018 with four (4) one-year renewal options.

VI. Recommended Committee Approvals

Motion 17.01-03

Moved by Ms. Carolyn Truesdell, seconded by Ms. Carol Graebner, and unanimously passed that the Board approve agenda items VI.1. through VI.37.

1. Approval of the Revised Harris Health System Policy No. 4205, Patients Requesting to Leave Harris Health System Facilities or Refusing or Requesting Discontinuation of Treatment Against Medical Advice.
2. Approval of the New Harris Health System Policy No. 4202, Psychiatric Emergency Response Team – Code Green.
3. Approval of the New Harris Health System Policy No. 4201, Management of Disruptive Patients and Visitors Behavior.
4. Approval of the Harris Health System 2017 Quality Manual.
5. Approval to Ratify the First Amendment to the Professional Services Agreement Between Harris Health System and Affiliated Medical Services.
6. Approval of the New Harris Health System Policy No. 5.05, Financial Management – Health Care for the Homeless Program.
7. Approval to Transfer Funds in the Amount of \$2,041,909 for Fiscal Year 2017 to the Harris County Engineering Department to Provide Architectural, Engineering, Construction Management, and Other Related Services Required for the Ben Taub Hospital STAT Elevator Modernization Project.
8. Approval to Transfer Funds in the Amount of \$1,301,500 for Fiscal Year 2017 to the Harris County Engineering Department to Provide Construction Related Services Required for the Lyndon B. Johnson Hospital Outside Air Handling Units Replacement Project.
9. Approval to Transfer Funds in the Amount of \$394,877.68 to the Harris County Engineering Department to Provide Architectural, Engineering, Construction

Management, and Other Related Services Required for the Lyndon B. Johnson Hospital Annex Roof and Rooftop Units Replacement.

10. Approval to Transfer Funds in the Amount of \$279,000 to the Harris County Engineering Department to Provide Architectural, Engineering, Construction Management, and Other Related Services Required for the Quentin Mease Hospital Driveway and Drain Replacement.
11. Approval to Transfer Funds in the Amount of \$125,589.98 to the Harris County Engineering Department to Provide Architectural, Engineering, Construction Management, and Other Related Services Required for the Northwest Health Center Roof Replacement.
12. Approval to Enter into a Memorandum of Understanding with Willdan Energy Solutions on Behalf of CenterPoint Energy for Participation in CenterPoint Energy's Healthcare Energy Efficiency Program (HEEP).
13. Approval to Ratify the Decrease of the Annual Participant Fee for Administrative Services for the 401K and the 457(b) Plans, Provided by Fidelity Management Trust Company, Effective July 1, 2016 Based on Execution of the 23rd Amendment to the Fidelity Management Trust Company Agreement for the 401K Plan and Execution of the 8th Amendment to the Fidelity Management Trust Company Agreement for the 457(b) Plan.
14. Approval to Ratify the Addition of an Investment in the Credit Suisse Floating Rate High Income Fund to the Harris County Hospital District Pension Plan, Effective October 24, 2016.
15. Approval to Ratify the Addition of an Investment in the Blackstone Partners OS Fund to the Harris County Hospital District Pension Plan, Effective November 1, 2016.
16. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and The University of Texas MD Anderson Cancer Center (Educational Experience – Post-Graduate Pharmacy Program).
17. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and The University of Texas MD Anderson Cancer Center (Fellows Educational Experience Program).
18. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and The University of Texas MD Anderson Cancer Center (Educational Experience – Gynecologic Oncology Fellowship Certification Program).
19. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and The University of Texas MD Anderson Cancer Center School of Health Professionals (Bachelor of Science in Molecular Genetics Technology Program).
20. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and the Houston Community College Coleman College for Health Sciences (Associate of Applied Science in Medical Laboratory Technology Program).
21. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and the Houston Community College Coleman College for Health Sciences (Associate Degree in Occupational Therapy Assistant Program).

22. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and the Houston Community College Coleman College for Health Sciences (Phlebotomy Technician Certification Program).
23. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and the Houston Community College Coleman College for Health Sciences (Pharmacy Technician Certification Program).
24. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and the Houston Community College Coleman College for Health Sciences (Emergency Medical Services Certification Program).
25. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and the Houston Community College Coleman College for Health Sciences (Associate Degree in Nursing Program).
26. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and the Houston Community College Coleman College for Health Sciences (Associate of Applied Science in Health Information Technology Program).
27. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and the Texas A&M University Irma Lerma Rangel College of Pharmacy (Doctor of Pharmacy Program).
28. Approval to Add Ms. Kathy Reece as a Committee Member to the Harris County Hospital District Pension & Disability Committee, Effective February 1, 2017.
29. Approval to Add Ms. Jennifer Wylie as a Committee Member to the Harris County Hospital District Pension & Disability Committee, Effective February 1, 2017.
30. Approval to Ratify a Grant Agreement in the Amount of \$146,874 from the Harris County Hospital District Foundation and the Susan G. Komen for the Cure Foundation Awarded to Harris County Hospital District d/b/a Harris Health System for Patient Navigators.
31. Approval to Ratify an Amendment to the Salary Reimbursement Agreement Between The University of Texas MD Anderson Cancer Center and Harris County Hospital District d/b/a Harris Health System in an Amount Not to Exceed \$70,624 to Provide an Evidence-Based Childhood Obesity Program “We Can” for Students Linking into Harris Health System School-Based Clinics for the Term January 1, 2017 Through December 31, 2017.
32. Approval to Ratify a Grant Agreement Between The University of Texas Health Science Center at Houston and Harris County Hospital District d/b/a Harris Health System in an Amount Not to Exceed \$50,000 to Participate in the “Patient Stakeholder Engagement in a Safety-Net Health Care System” Study for the Term January 1, 2017 Through December 31, 2018.
33. Approval to Appoint Ms. Linda Kinchen as the Interim Director of the Health Care 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 Health Care for the Homeless Program.

34. Approval of the Health Care for the Homeless Program Consumer Advisory Council Report for CY2016, as Required by the United States Department of Health and Human Services, Which Provides Funding to the Harris County Hospital District d/b/a Harris Health System to Provide Health Services to Persons Experiencing Homelessness Under Section 330(h) of the Public Health Service Act Health Care for the Homeless Program.
35. Approval of the Health Care for the Homeless Program 2017 Budget, as Required by the United States Department of Health and Human Services, Which Provides Funding to the Harris County Hospital District d/b/a Harris Health System to Provide Health Services to Persons Experiencing Homelessness Under Section 330(h) of the Public Health Service Act Health Care for the Homeless Program.
36. Approval of the New Harris Health System Policy No. 3.08.01, Transportation Benefit Programs.
37. Acceptance of the Harris Health System Temporary Employee Health Plan Controls Auditor's Report.

{End of Consent Agenda}

VII. Board Review and Action Items

A. Review and Action Items Related to the Ad Hoc – Nominating Committee

1. Discussion Regarding the Recommendation for the Slate of Officers for the Board of Trustees of the Harris County Hospital District d/b/a Harris Health System.

Mr. Lawrence Finder led the discussion regarding the slate of officers for the Board of Trustees of the Harris County Hospital District d/b/a Harris Health System. He stated that the nominating committee recommended the following members to hold office on the Board: 1) Ms. Anne Clutterbuck as Chair, 2) Dr. Kimberly Monday as Vice-Chair, and 3) Ms. Daisy Stiner as Secretary.

Motion 17.01-04

Moved by Ms. Carol Graebner, seconded by Ms. Carolyn Truesdell, and unanimously passed that the Board elect the following members as Board Officers: Ms. Anne Clutterbuck, Chair; Dr. Kimberly Monday, Vice-Chair; and Ms. Daisy Stiner, Secretary.

2. Election of Officers.

B. Action Items Related to the Planning & Operations Committee

Motion 17.01-05

Moved by Dr. Ewan Johnson, seconded by Ms. Carolyn Truesdell, and unanimously passed that the Board approve agenda items VII.B.1. and VII.B.2.

1. Approval to Ratify an Amendment to the Salary Reimbursement Agreement Between The University of Texas MD Anderson Cancer Center and Harris County Hospital District d/b/a Harris Health System in the Amount of \$87,360 for Two (2) Patient Navigators for the Term January 1, 2017 Through June 30, 2017.
2. Approval to Ratify a Grant Agreement Between the Episcopal Health Foundation and Harris County Hospital District d/b/a Harris Health System in an Amount Not to Exceed \$25,000 for the Term January 1, 2017 Through June 30, 2017.

Motion 17.01-06

Moved by Ms. Carol Graebner, seconded by Mr. Elvin Franklin, Jr., and unanimously passed that the Board approve agenda item VII.B.3.

3. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and Chamberlain College of Nursing (Online Doctor of Nursing Practice Program).

Motion 17.01-07

Moved by Dr. Ewan Johnson, seconded by Dr. Kimberly Monday, and unanimously passed that the Board approve agenda item VII.B.4.

4. Approval of a Resolution Committing Support by the Board of Trustees and the Harris Health System Administration for Level III Trauma Services at Lyndon B. Johnson Hospital.

C. Miscellaneous Action Items

Motion 17.01-08

Moved by Ms. Carolyn Truesdell, seconded by Ms. Anne Clutterbuck, and passed that the Board approve agenda item VII.B.1. Ms. Daisy Stiner recused herself from agenda item VII.B.1.

1. Approval to Reappoint Members to the Community Health Choice, Inc. (Community) Board of Directors in Accordance with Article III, Section II of the Bylaws of Community.

Motion 17.01-09

Moved by Ms. Carolyn Truesdell, seconded by Dr. Ewan Johnson, and passed that the Board approve agenda item VII.B.2. Ms. Daisy Stiner recused herself from agenda item VII.B.2.

2. Approval to Ratify the Purchase of a General Contract of Indemnity for Community Health Choice Texas, Inc., Effective as of December 23, 2016.

Motion 17.01-14 (Agenda Items VII.C.3. and VII.C.4. were taken out of order)

Moved by Dr. Ewan Johnson, seconded by Mr. Lawrence Finder, and passed that the Board approve agenda items VII.B.3. and VII.B.4. Ms. Daisy Stiner recused herself from agenda items VII.B.3. and VII.B.4.

3. Approval of the Proposed Modifications to the Bylaws of Community Health Choice, Inc. and Community Health Choice Texas, Inc.
4. Approval of the Transfers of Assets Policy and of the Initial Transfer of Assets Between Community Health Choice, Inc. and Community Health Choice Texas, Inc.

VIII. 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 Senate Finance Committee will begin consideration of budget issues related to the Texas Health and Human Services Commission (HHSC). Mr. Hillier stated that Senator Borris Miles, who aided Harris Health in the past regarding the Disproportionate Share Hospital (DSH) program, was appointed to the HHSC Committee. He reported that Senator Jane Nelson was appointed as Chair of the Finance Committee, and that the Finance Committee created a health cost containment workgroup.

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 predicted that once U.S. Representative Thomas Price is confirmed as the new Secretary of the U.S. Department of Health and Human Services, Ms. Seema Verma will gain approval to become the new administrator of the Centers for Medicare & Medicaid Services (CMS). Mr. Hillier announced that President Donald Trump issued an executive order on January 20, 2017 that suspended rulings on all pending regulations until after the Cabinet appointments are completed. He also stated that President Trump issued an executive order related to the repeal and replacement of the Affordable Care Act (ACA) but that there is ongoing debate in Congress regarding how the repeal and replacement of the ACA should be implemented. Ms. Anne Clutterbuck inquired regarding the new administration's position on whether local taxpayers should expect to continue funding safety net hospitals. Mr. Hillier responded that Ms. Verma has knowledge of the difficulties involved regarding the funding of safety net hospitals. Dr. Kimberly Monday inquired whether the Texas legislature will be

required to take action to determine how funds related to the proposed replacement of the ACA will be distributed. Mr. Hillier stated that it is unlikely that state legislative action will be required. Discussion ensued.

B. Discussion Regarding Harris Health System's Proposed Plan for Universal Health Care

Mr. Hillier led the discussion regarding Harris Health System's proposed plan for universal health care. He reported that there are 350,000 Harris County residents and 1,000,000 Texas residents who will be affected by a repeal of the ACA. Mr. Hillier presented the following four (4) tenets as the critical components of a repeal and replace strategy regarding the ACA: 1) prevent any increase in the rate of uninsured or underinsured patients; 2) ensure market stability by providing adequate notice and implementing a smooth transition for insureds, insurance companies, employers, health providers, and payers; 3) implement a simultaneous, transparent, and coordinated process; and 4) allow a minimum of two years for a transition period. Additionally, any repeal must include full repeal of the ACA's cuts to hospital reimbursement payments such as Medicare and Medicaid DSH payments and productivity adjustments. An ACA replacement program must offer a revised mandate to prohibit the exclusion of patients with preexisting health conditions. A replacement program should also incentivize people to enroll in insurance plans rather than penalize them for not enrolling, which will create a larger pool of insured patients who can effectively offset the increased health costs created by patients with preexisting conditions. Mr. Hillier stated that the following measures will provide greater stability to the ACA's Health Insurance Marketplace (Marketplace) during the transition period: 1) the continuation of cost-sharing reduction reimbursements to insurance companies; 2) the reestablishment of the reinsurance and risk corridor programs; 3) the implementation of a replacement program in a shorter time frame; and 4) a decrease in federal mandates and regulatory restrictions for Marketplace participants. A copy of the proposed universal health care plan is available in the permanent record.

IX. Key Performance Reports

A. Committee Reports

1. Joint Conference Committee

Motion 17.01-10

Moved by Ms. Carolyn Truesdell, seconded by Ms. Anne Clutterbuck, and unanimously passed that the Board approve agenda item IX.A.1.a.

- a. Acceptance of the Medical Executive Board Report for January 2017.

Dr. David Robinson, Chair, Medical Executive Board, presented the January 2017 Medical Executive Board Report. He stated that the Medical Executive Board discussed disaster planning in preparation for the upcoming Super Bowl, which will

be held at NRG Stadium on February 5, 2017. Dr. Robinson announced that nurse vacancy rates decreased by 8% at LBJH and that the decrease is due to aggressive recruitment strategies. Dr. Derek Curtis, Chief Nursing Officer, LBJH, reported that thirty-five (35) graduates were hired in July 2016 and twenty-five (25) graduates were hired in November 2016. He explained that a majority of the recruiting occurred around the I-45 and I-69 corridors to target the nurses who live in the vicinity of LBJH and a retention committee was established at LBJH to determine the nurses' concerns and how to address them. Dr. Robinson reported that the Bylaws Committee expects to complete its modifications of the Medical Staff Bylaws and present them for Board approval in the near future. He stated that the Medical Records Committee is making efforts to ensure that discharge summaries and electronic charts are completed in a timely manner. Ms. Daisy Stiner requested that the Board receive an update regarding the efforts by multidisciplinary teams in the health clinics to lower glucose levels in pre-operative diabetes patients. A copy of the report is available in the permanent record.

Motion 17.01-11

Moved by Ms. Carolyn Truesdell, seconded by Dr. Kimberly Monday, and unanimously passed that the Board approve agenda item IX.A.1.b.

- b. Approval Regarding the Credentialing Changes for Members of the Harris Health System Medical Staff (December 2016 and January 2017).

Dr. Robinson presented the December 2016 and January 2017 credentialing changes for the members of the Harris Health System medical staff. He reported that there were thirty-six (36) initial applications, 111 reappointments, thirty-four (34) resignations, and twenty-two (22) change/add privileges. Copies of the reports are available in the permanent record.

2. Performance Improvement and Patient Safety Committee

- a. Review and Discussion Regarding Harris Health System Quality Executive Summary and Scorecard for January 2017.

Dr. Parikshet Babber, Executive Vice President and Chief Medical Officer, presented the Harris Health System Quality Executive Summary and Scorecard. He reported that Harris Health surpassed the achievement thresholds regarding the survival rates for acute myocardial infarctions, heart failure, and pneumonia on a year-to-date basis. Dr. Babber also stated that there were no fallouts regarding readmissions year-to-date. He explained that while hospital-acquired conditions (HACs) experienced fallouts, Harris Health demonstrated continued improvement and that six (6) of the nine (9) HAC-associated metrics met or exceeded 2015 rates. A copy of the report is available in the permanent record.

3. **Budget and Finance Committee**

Motion 17.01-12

Moved by Mr. Lawrence Finder, seconded by Dr. Kimberly Monday, and unanimously passed that the Board approve agenda item IX.A.3.a.

- a. Approval of the FY2018 Operating and Capital Budget of the Harris County Hospital District d/b/a Harris Health System.

Mr. Michael Norby, Executive Vice President and Chief Financial Officer, presented the FY2018 Operating and Capital Budget of the Harris County Hospital District d/b/a Harris Health System. He explained that he converted the assumptions from the budget workshop into a seven-page narrative, which will be added to the finalized budget and presented to the Harris County Commissioners Court for approval. Mr. Norby reported that Harris Health's proposed FY2018 total budget is slightly under \$1.4B with a loss of \$8.7M. He stated that the capital budget for FY2018 is \$81.6M. A copy of the budget is available in the permanent record.

Motion 17.01-13

Moved by Ms. Carolyn Truesdell, seconded by Dr. Ewan Johnson, and unanimously passed that the Board approve agenda items IX.A.3.b. through IX.A.3.d.

- b. Acceptance of the Harris Health System November 2016 Financial Report Subject to Audit.

Mr. Norby, Executive Vice President and Chief Financial Officer, presented the Harris Health System November 2016 Financial Report. He reported that revenue was \$3.6M greater than budget and that expenses were \$1.9M greater than budget for November 2016. A copy of the report is available in the permanent record.

- c. Acceptance of the Harris Health System December 2016 Financial Report Subject to Audit.

Mr. Norby, Executive Vice President and Chief Financial Officer, presented the Harris Health System December 2016 Financial Report. He reported that revenue was \$5.8M greater than budget and that expenses were \$0.1M greater than budget for December 2016. A copy of the report is available in the permanent record.

- d. Acceptance of the Harris Health System Third Quarter FY2017 Investment Report.

Mr. Norby, Executive Vice President and Chief Financial Officer, presented the Harris Health System Third Quarter FY2017 Investment Report. He reported that as of November 30, 2016, the investment balance was \$391.2M. A copy of the report is available in the permanent record.

- e. Presentation of the November 2016 Financial Statements of Community Health Choice, Inc.

Mr. Kenneth Janda, President and Chief Executive Officer, Community Health Choice, Inc. (CHC, Inc.), presented the November 2016 financial statements for CHC, Inc. A copy of the report is available in the permanent record.

- f. Presentation of the December 2016 Financial Statements of Community Health Choice, Inc.

Mr. Janda presented the December 2016 financial statements for CHC, Inc. A copy of the report is available in the permanent record.

X. Executive Session

At 11:37 a.m., Mr. Franklin stated that the Board would enter into Executive Session under §161.032 of the Texas Health & Safety Code, Texas Occupations Code Ann. §160.007, Texas Gov't Code Ann. §418.183, Texas Gov't Code §551.085, and Texas Gov't Code Ann. §551.071.

XI. Reconvene

At 1:53 p.m., Mr. Franklin reconvened the meeting and stated that no action was taken in Executive Session.

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

No action was taken.

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

No action was taken.

- C. Consultation with the County Attorney Regarding Claim of Mariana Montes and Pedro Velasquez, Individually and on Behalf of Pedro Jesus Velasquez, Pursuant to Texas Gov't Code Ann. §551.071, and Possible Action Regarding This Matter Upon Return to Open Session.

Motion 17.01-15

Moved by Ms. Carolyn Truesdell, seconded by Ms. Carol Graebner, and unanimously passed that the Board approve agenda item X.C.

The Harris County Hospital District d/b/a Harris Health System (“Harris Health”), by and through its Board of Trustees, approves and hereby authorizes a settlement of the claim of Mariana Montes and Pedro Velasquez, individually and on behalf of Pedro Jesus Velasquez, a minor, in the amount of \$50,000, and all reasonable and necessary costs related to the suit, including filing fees, interpretation services, and Guardian Ad Litem fees in an amount not to exceed \$10,000. George V. Masi, President/CEO of Harris Health, is authorized to execute any agreement, release, or any other necessary documents to effect this settlement.

- D. Consultation with the County Attorney Regarding an Engagement with Gjerset & Lorenz, LLP Regarding a Proposed Regional Managed Care Rate Enhancement Program, Pursuant to Texas Gov’t Code Ann. §551.071, and Possible Action Regarding This Matter Upon Return to Open Session.

Motion 17.01-16

Moved by Ms. Anne Clutterbuck, seconded by Dr. Kimberly Monday, and unanimously passed that the Board approve agenda item X.D.

- E. Consultation with the Chief Information Security Officer Regarding Harris Health System’s Information Technology Security Program, Pursuant to Texas Gov’t Code Ann. §418.183, and Possible Action Regarding This Matter Upon Return to Open Session.

No action was taken.

- F. Consultation with the County Attorney Regarding Proposed Changes to the Bylaws of Community Health Choice, Inc. and Community Health Choice Texas, Inc., Pursuant to Texas Gov’t Code Ann. §551.071, and Possible Action Regarding This Matter Upon Return to Open Session.

No action was taken.

- G. Review and Discussion Regarding Strategies to Improve and Maximize Financial Performance and Budget Projections Under Provider Agreements, Network Relationships, and Other Strategic Means or Additional Lines of Business for Community Health Choice, Inc., Pursuant to Texas Gov’t Code §551.085, and Possible Action Upon Return to Open Session.

No action was taken.

XII. Adjournment

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

There being no further business, the meeting adjourned at 1:57 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 January 26, 2017.

Respectfully submitted,

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

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

Ms. Anne Clutterbuck, Secretary
Board of Trustees

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

Recorded by Kenya Shields