

HARRIS HEALTH SYSTEM

**ORIGINAL
DO NOT REMOVE**

HARRIS HEALTH SYSTEM

MINUTES OF THE BOARD OF MANAGERS MEETING

Wednesday, July 27, 2016

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. Kimberly Monday (10:10 a.m. departure)
Ms. Carolyn Truesdell

Members Absent:

Dr. Donald Butts
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
Mr. Alan Vierling, Executive Vice President & Administrator, Lyndon B. Johnson Hospital
Dr. Jose Garcia, General Director, Affiliated Medical Services
Dr. Maya Suresh, Chair, Medical Executive Board
Dr. Carmel Dyer, Chief of Staff, Lyndon B. Johnson Hospital (9:30 a.m. arrival)
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 (9:45 a.m. arrival)
Mr. Paul Shanklin, Commissioner Jack Cagle's Office
Administrative Staff
Guests
(Sign-in Sheets attached to permanent record)

I. Call to Order and Record of Attendance

Mr. Elvin Franklin, Jr., Chair, called the meeting to order at 9:04 a.m., and noted that a quorum was present. The attendance was recorded.

II. Approval of the Minutes of Previous Meetings

Motion 16.07-66

Moved by Ms. Carolyn Truesdell, seconded by Ms. Daisy Stiner, and unanimously passed that the Board approve the minutes of the June 16, 2016 Special Called Board Meeting and the June 30, 2016 Regular Board Meeting.

III. Announcements / Special Presentations

- A. **Special Recognition** – Mr. George Masi, President and CEO, recognized Harris Health for receiving the CEO Cancer Gold Standard™ award from the CEO Roundtable on Cancer. Mr. Omar Reid, Senior Vice President of Human Resources, stated that this award is based on the five (5) pillars of prevention, screening, clinical trials, quality treatment and survivorship, and health education. He highlighted that Harris Health has received this award for two (2) years in a row. Mr. Reid presented two commemorative pins to Mr. Masi and Mr. Elvin Franklin, Jr. in honor of Harris Health's receipt of the CEO Cancer Gold Standard™ award.
- B. **Special Recognition** – Mr. Reid recognized the eleven (11) high school graduates and college students who are participating as interns in the Harris County Precinct One Leadership Experience & Employment Program (LEE Program). The interns introduced themselves and announced the various departments to which they were assigned. Mr. Reid commended Ms. Gloria Tezeno, Lead Employment Process Coordinator, and thanked her for her efforts in coordinating the LEE Program on behalf of Harris Health.

IV. Hear from Citizens

Ms. Fadine Roquemore, Chairperson for the Martin Luther King, Jr. Health Center Council and Sergeant-at-Arms for the Council-at-Large, invited the Board to attend the annual MLK Council meeting to be held Tuesday, August 2, 2016 at 3:00 p.m.

Executive Session (Agenda Item IX.D. was taken out of order)

At 9:14 a.m., Mr. Franklin stated that the Board would enter into Executive Session under Texas Gov't Code §551.085.

Reconvene

At 10:29 a.m., Mr. Franklin reconvened the meeting and stated that no action was taken in Executive Session.

- D. 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., Including Consideration of Approval to Create a New HMO and Charitable Organization for Marketplace and Other Commercial Business, Pursuant to Tex. Gov't Code §551.085 and Possible Action Regarding this Matter Upon Return to Open Session.

No action was taken.

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

Motion 16.07-67

Moved by Ms. Carolyn Truesdell, seconded by Ms. Carol Graebner, and passed that the Board approve agenda items V.A(1)a. through V.A(1)m., V.A(1)o. and V.A(1)p., V.A(1)r. through V.A(1)ff., V.A(1)hh. through V.A(1)kk., and V.A.(1)mm. through V.A(1)ss. Mr. Lawrence Finder recused himself from the following purchasing items: A(1)a., A(1)b., A(1)c., A(1)f., A(1)g., A(1)l., A(1)m., A(1)n., A(1)o., A(1)p., A(1)q., A(1)r., A(1)s., A(1)t., A(1)v., A(1)x., A(1)y., A(1)z., A(1)aa., A(1)bb., A(1)cc., A(1)ee., A(1)gg., A(1)hh., A(1)ii., A(1)ll., A(1)nn., A(1)qq., and A(1)ss.

A. Items Related to Purchasing

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

- a. approve the second of four (4) renewal options for Johnson Controls Inc. to provide maintenance and service of heating, ventilation, and air conditioning building automation systems and related items in the estimated amount of \$1,362,368 for the term August 1, 2016 through July 31, 2017.
- b. 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 in the amount of \$1,404,538 (\$1,354,538 construction price / \$50,000 owner contingency).
- c. approve the first of four (4) renewal options for Carestream Health, Inc. to provide service and maintenance for Carestream portable digital x-ray systems in the estimated amount of \$270,539 for the term July 13, 2016 through July 12, 2017.
- d. approve an exemption from the competitive bid requirements for Inventure Design to provide professional architectural and interior design services in the estimated amount of \$500,000 for a one-year initial term with two (2) one-year renewal options.
- e. approve purchase on the basis of single source contract for NeuroLogica Corporation [PP-IM-313] to provide a CereTom[®] portable CT system in the amount of \$441,987.
- f. approve the second of four (4) renewal options for SimplexGrinnell, L.P. to provide inspection and service of fire protection systems, equipment, and related items in the estimated amount of \$431,076 for the term August 1, 2016 through July 31, 2017.
- g. approve additional (budgeted) funds and an extension for Centennial Contractors Enterprises, Inc. (Primary), J.T. Vaughn Construction, LLC (Secondary), and Horizon International Group, LLC (Tertiary) to provide job order contracting for small and large construction and/or construction-related projects in the additional (budgeted) multi-vendor amount of \$200,000 for the extended term August 1, 2016 through October 31, 2016 (Board previously approved funds in the amount of \$5,500,000 for the term

- August 1, 2015 through July 31, 2016).
- h. approve the third and final renewal option for C.L. Davis and Company to provide land surveying services in the estimated amount of \$150,000 for the term August 20, 2016 through August 19, 2017.
 - i. ratify an emergency purchase for In The Light / Coating Systems Construction to repair and refurbish water tanks at Lyndon B. Johnson Hospital in the amount of \$123,794 (\$112,540 project price / \$11,254 owner contingency).
 - j. approve the second of three (3) renewal options for Patterson Dental Supply, Inc. to provide a dental delivery system in the estimated amount of \$220,000 for the term July 24, 2016 through July 23, 2017.
 - k. approve additional (budgeted) funds and an extension for KCI USA, Inc. to provide negative pressure wound therapy for outpatient treatment in the additional amount of \$500,000 for the extended term July 15, 2016 through July 14, 2017 (Board previously approved funds in the amount of \$468,818 for the term July 15, 2015 through July 14, 2016).
 - l. ratify renewal for The University of Texas MD Anderson Cancer Center to provide oncology services in the estimated amount of \$0 for the term July 1, 2016 through June 30, 2017.
 - m. approve award on the basis of low bid for Borden Dairy Company (Primary) and Oak Farms Dairy (Secondary) to provide dairy products in the estimated multi-vendor amount of \$150,000 for the term July 28, 2016 through June 30, 2017 with one (1) one-year renewal option.
 - n. **PULLED**
approve first-year funding on the basis of lowest-priced contract for Medline Industries Inc. [PP-NS-933] to provide exam gloves in the estimated amount of \$1,305,610 for the term May 1, 2016 through April 30, 2017.
 - o. approve third-year funding for the GPO contract for Baxter Healthcare Corporation [PP-IV-133] to provide IV therapy products, IV fluids, bag-based delivery supplies, and total parenteral nutrition macronutrients in the estimated (six-month term) amount of \$1,181,459 for the term August 1, 2016 through January 31, 2017.
 - p. approve award on the basis of only proposal received for St. Jude Medical, Inc. to provide cardiac rhythm management products and devices in the estimated amount of \$1,104,063 for a one-year initial term with four (4) one-year renewal options.
 - q. **PULLED**
approve first-year funding on the basis of best contracts for Ansell Healthcare Products, LLC [PP-OR-1319] (\$1,116 – Items 1-4); Cardinal Health 200, LLC [PP-OR-1320] (\$1,753 – Item 11); Mölnlycke Health Care US, LLC [PP-OR-1322] (\$17,942 – Items 52-64); and Medline Industries, LLC [PP-OR-1321] (\$521,680 – Items 5-10, 12-51) to provide surgeon

gloves in the estimated multi-vendor amount of \$542,491 for the term May 1, 2016 through April 30, 2017.

- r. approve second-year funding for the GPO contract for Becton, Dickinson and Company [PP-LA-395] through Cardinal Health to provide safety phlebotomy products in the estimated amount of \$508,748 for the term October 1, 2016 through September 30, 2017.
- s. approve second-year funding for the GPO contracts for Becton, Dickinson and Company [PP-LA-402] (\$195,483) and Greiner Bio-One North America, Inc. [PP-LA-403] (\$219,634) to provide blood specimen collection products in the estimated multi-vendor amount of \$415,117 for the term October 1, 2016 through September 30, 2017.
- t. approve third-year funding for the GPO contracts for Professional Disposables International, Inc. [PP-NS-848] (\$123,693) and CareFusion 213, LLC [PP-NS-847] (\$213,542) (all through Cardinal Health) to provide chlorhexidine gluconate skin prep products in the estimated multi-vendor amount of \$337,235 for the term August 1, 2016 through July 31, 2017.
- u. approve the fourth and final renewal option for WorkflowOne [PP-IT-117 f/k/a PP-IT-054] d/b/a The Standard Register Company to provide document management solutions in the estimated amount of \$315,000 for the term August 9, 2016 through August 8, 2017.
- v. approve the second of three (3) renewal options for Edwards Lifesciences LLC [PP-NS-835] to provide hemodynamic monitoring products and accessories in the estimated amount of \$234,179 for the term July 1, 2016 through June 30, 2017.
- w. approve awards on the basis of low bids for Hanger Prosthetics and Orthotics Inc., d/b/a Hanger Clinic [Secondary] (\$20,000) and City Brace Co., Inc. [Primary] (\$160,000) to provide prosthetic, orthotic, and pedorthotic devices and services in the estimated multi-vendor amount of \$180,000 for the term August 1, 2016 through July 31, 2017 with four (4) one-year renewal options.
- x. approve purchase for Smith & Nephew, Inc. to provide antimicrobial silver dressing and related products in the estimated amount of \$179,274 for a one-year term with one (1) one-year renewal option.
- y. approve renewal on the basis of sole source for St. Jude Medical S.C., Inc. d/b/a St. Jude Medical, U.S. Division to provide AMPLATZER™ vascular plugs in the estimated amount of \$164,506 for the term July 20, 2016 through July 19, 2017.
- z. approve second-year funding for the GPO contract for Vital Signs, Inc. [PP-OR-1202] to provide disposable anesthesia products in the estimated amount of \$127,223 for the term August 1, 2016 through July 31, 2017.
- aa. approve second-year funding for the GPO contracts for Halyard Sales, LLC [PP-DI-1068] (\$33,329) and Covidien Sales, LLC [PP-DI-1067] (\$80,538) to provide feeding pumps, sets, devices, and tubes in the estimated multi-

vendor amount of \$113,867 for the term August 1, 2016 through July 31, 2017.

- bb. approve the first of four (4) renewal options for Integra LifeSciences Corporation to provide collagen solution products in the estimated amount of \$110,000 for the term December 23, 2016 through December 22, 2017.
- cc. approve an exemption from the competitive bid requirements for Baylor College of Medicine to provide care to HIV-positive patients according to the Ryan White HIV / AIDS Treatment Extension Act of 2009, Part F Special Project of National Significance in the (Ryan White Grant Funds) amount of \$118,303 for the term September 1, 2016 through August 31, 2017.
- dd. approve renewal for The University of Texas Health Science Center at Houston (UTHealth) to provide parking for UTHealth staff at Lyndon B. Johnson Hospital in the revenue amount of \$75,600 for the term September 1, 2016 through August 31, 2017.
- ee. approve provision for the Texas Health and Human Services Commission to provide outstationed eligibility advisors / Medicaid eligibility specialists in various health care facilities in the estimated amount of \$300,000 for the term September 1, 2016 through August 31, 2017.
- ff. approve the third of four (4) renewal options for Cardon Healthcare Network, LLC d/b/a Cardon Outreach (\$850,000) and Resource Corporation of America (\$850,000) to provide certification of pending Medicaid cases and other related third-party sources in the estimated multi-vendor amount of \$1,700,000 for the term August 26, 2016 through August 25, 2017.
- gg. **PULLED**
approve the first of four (4) renewal options for Stericycle, Inc. to provide integrated medical and solid waste management in the estimated amount of \$1,588,745 for the term September 1, 2016 through August 31, 2017.
- hh. approve utilization for FleetCor Technologies Operating Company, LLC to provide a fleet fuel monitoring and dispensing system and related items in the estimated amount of \$172,000 for the term August 1, 2016 through July 31, 2017.
- ii. approve awards on the basis of best proposals meeting requirements for OptumRx, Inc. (Pharmacy Benefit Manager Services) (\$21,228,975) and Cigna Health and Life Insurance Company and Cigna Onsite Health, LLC (Group Medical and Stop Loss Coverage) (\$7,008,533) to provide pharmacy benefit manager services, group medical, and stop loss coverage in the estimated multi-vendor amount of \$28,237,508 for the term March 1, 2017 through February 28, 2018 with six (6) one-year renewal options.
- jj. approve the first of four (4) renewal options for FMLASource, Inc., a ComPsych company, to provide Family Medical Leave Act management services in the estimated amount of \$167,587 for the term August 18, 2016 through August 17, 2017.

kk. approve the second of four (4) renewal options for Gulf Coast Regional Blood Center to provide blood, blood products, and services in the estimated amount of \$7,865,320 for the term August 28, 2016 through August 27, 2017.

ll. **PULLED**

approve purchase on the basis of low quote for General Datatech, L.P. [DIR-TSO-2543] to provide unlimited licenses for a Cisco Voice Over Internet Protocol telephone system in the (five-year term) amount of \$4,121,949 for a five-year term.

mm. ratify the fourth and final renewal option for Spok, Inc. to provide leases for wireless pagers, messaging services, and related items in the estimated amount of \$280,500 for the term June 1, 2016 through May 31, 2017.

nn. approve purchase on the basis of sole source for Citrix Systems, Inc. to provide maintenance and support for Citrix hardware and software in the estimated amount of \$249,004 for the term August 1, 2016 through July 31, 2017.

oo. approve funding for the third and final year of a three-year Agreement for Accudata Systems, Inc. [DIR-SDD-1643] to provide maintenance and support for Websense software in the estimated amount of \$182,913 for the term August 1, 2016 through July 31, 2017.

pp. approve purchase on the basis of only quote for Set Solutions, Inc. [DIR-SDD-2035] to provide a network security appliance in the estimated amount of \$154,316.

qq. approve the fourth and final renewal option for Hill-Rom Company, Inc. to provide maintenance and support for a fetal monitoring software system in the estimated amount of \$116,257 for the term August 1, 2016 through July 31, 2017.

rr. approve renewal for Legacy Data Access, Inc. to provide mainframe data hosting services in the estimated amount of \$112,800 for the term August 25, 2016 through August 24, 2017.

ss. approve provision for Harris County Hospital District d/b/a Harris Health System, Harris County through Harris County Public Health Services, the Harris Center for Mental Health and IDD, and the City of Houston to participate in a quad agency eligibility data sharing project in the estimated multi-vendor amount of \$108,000 for a one-year initial term with four (4) one-year renewal options.

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

a. transmittal on the basis of low quote for Gowan, Inc. [Choice Partners No. 13-012PB] to replace two (2) air compressor units at Lyndon B. Johnson Hospital in the amount of \$77,722.

- b. transmittal of the third of four (4) renewal options on the basis of sole source for Sun Nuclear Corporation to provide software and hardware maintenance for the Sun Nuclear Dosimetry System at Smith Clinic in the amount of \$52,265 for the term September 1, 2016 through August 31, 2017.
- c. transmittal of the second and final renewal option for Abbott Nutrition [PP-DI-1064] to provide infant formula and related products in the estimated amount of \$95,000 for the term September 4, 2016 through September 3, 2017.
- d. transmittal of renewal for Baylor College of Medicine d/b/a Lions Eye Bank of Texas to provide ophthalmic tissue services in the estimated amount of \$96,000 for the term June 11, 2016 through June 10, 2017.
- e. transmittal of additional (budgeted) funds and an extension for Brothers Produce, Inc. to provide produce in the additional (budgeted) amount of \$89,500 for the extended term June 1, 2016 through August 31, 2016 (Board previously approved funds in the amount of \$119,275 for the term February 1, 2016 through May 31, 2016).
- f. transmittal of second-year funding for the GPO contracts for Derma Sciences, Inc. [PP-NS-873] (\$32,000) and ACell, Inc. [PP-NS-870] (\$64,000) to provide regenerative skin grafting products in the estimated multi-vendor amount of \$96,000 for the term January 1, 2016 through December 31, 2016.
- g. transmittal of third-year funding for the GPO contract for Arrow International, Inc. (Teleflex) [PP-NS-837] to provide hemodynamic monitoring products and accessories in the estimated amount of \$91,340 for the term July 1, 2016 through June 30, 2017.
- h. transmittal of third-year funding for the GPO contract for Encompass Group LLC [PP-NS-845] to provide fall management footwear in the estimated amount of \$89,378 for the term August 1, 2016 through July 31, 2017.
- i. transmittal of third-year funding for the GPO contracts for DeRoyal Industries, Inc. [PP-WC-134] (\$4,834) and Covidien Sales LLC [PP-WC-133] (\$80,315) to provide disposable labor and delivery products in the estimated multi-vendor amount of \$85,149 for the term September 1, 2016 through August 31, 2017.
- j. transmittal of second-year funding for the GPO contract for Medline Industries, Inc. [PP-NS-880] through Cardinal Health to provide personal care kits and components in the estimated amount of \$83,431 for the term August 1, 2016 through July 31, 2017.
- k. transmittal of second-year funding for the GPO contract for Covidien Sales, LLC [PP-MM-329] to provide sedation monitoring in the estimated amount of \$81,675 for the term August 1, 2016 through July 31, 2017.
- l. transmittal of second-year funding for the GPO contract for Covidien Sales, LLC [PP-OR-1218] to provide OR patient positioning products in the estimated amount of \$73,926 for the term August 1, 2016 through July 31, 2017.
- m. transmittal of third-year funding for the GPO contracts for Covidien Sales, LLC [PP-WC-140] (\$9,025) and Clinical Innovations, LLC [PP-WC-139] (\$59,845) (all through Cardinal Health) to provide obstetrical monitoring devices in the

estimated multi-vendor amount of \$68,870 for the term September 1, 2016 through August 31, 2017.

- n. transmittal of additional (budgeted) funds and an extension for St. Jude Medical to provide vascular closure devices in the additional (budgeted) amount of \$33,665 for the extended term September 25, 2016 through December 31, 2016 (Board previously approved funds in the amount of \$134,662 for the term September 25, 2015 through September 24, 2016).
- o. transmittal of the third of four (4) renewal options for Advanced Health Education Center d/b/a MEDRelief Staffing; Advantage Nursing Services, LLC; SHC Services, Inc. d/b/a Supplemental Health Care; O.R. Nurses Nationwide, Inc., in affiliation with People 2.0 Global, Inc.; and Therapy Staff, LLC to provide temporary therapist personnel in the estimated multi-vendor amount of \$0 for the term November 1, 2016 through October 31, 2017.
- p. transmittal of the second of four (4) renewal options for Ameda, Inc. to provide breast pump equipment and related products in the estimated amount of \$97,082 for the term September 15, 2016 through September 14, 2017.
- q. transmittal of additional (HRSA grant) funds for JWB Mobile Dentistry to operate a mobile dental van for the Health Care for the Homeless Program in the additional HRSA grant funds amount of \$57,000 for the term January 1, 2016 through December 31, 2016 (Board previously approved HRSA grant funds in the amount of \$240,000 for the term January 1, 2016 through December 31, 2016).
- r. transmittal of the fourth and final renewal option for Greater Houston Transportation Company [Options 1A, 1B, 2A, and 2B] to provide transportation services for patients and package deliveries in the estimated amount of \$75,000 for the term September 1, 2016 through August 31, 2017.
- s. transmittal of award on the basis of lowest-priced proposal meeting requirements for Flexible Benefit Administrators, Inc. to provide group flexible spending accounts in the estimated amount of \$44,431 for the term March 1, 2017 through February 28, 2018 with four (4) one-year renewal options.
- t. transmittal of award on the basis of lowest-priced proposal meeting requirements for FEI Behavioral Health, Inc. to provide a group employee assistance program in the estimated amount of \$61,683 for the term March 1, 2017 through February 28, 2018 with four (4) one-year renewal options.
- u. transmittal of award on the basis of lowest-priced proposal meeting requirements for Flexible Benefit Administrators, Inc. to provide COBRA / HIPAA administration services in the estimated amount of \$22,846 for the term March 1, 2017 through February 28, 2018 with four (4) one-year renewal options.
- v. transmittal of purchase on the basis of low quote for Creative Office Furniture, Inc. [TXMAS Contract 3-7111010] to provide office furniture for Ben Taub Hospital in the amount of \$72,204.
- w. transmittal of purchase on the basis of sole source for Imprivata, Inc. f/k/a HT Systems, Inc. to provide biometric identification system software support and

maintenance in the estimated amount of \$76,046 for the term June 1, 2016 through May 31, 2017.

- x. transmittal of renewal on the basis of sole source for Allscripts Healthcare, LLC (formerly Eclipsys Corporation) to provide maintenance and support for Eclipsys EPSi Sunrise software in the estimated amount of \$73,686 for the term June 30, 2016 through June 29, 2017.
- y. transmittal of the second and final renewal option for Abbott Nutrition [PP-DI-1064] to provide infant formula and related products in the estimated amount of \$70,000 for the term September 4, 2016 through September 3, 2017.

B. Recommended Committee Approvals

Motion 16.07-68

Moved by Ms. Carolyn Truesdell, seconded by Mr. Lawrence Finder, and passed that the Board approve agenda items V.B.1. through V.B.27. Mr. Franklin recused himself from agenda items V.B.11. through V.B.13. and V.B.23 through V.B.25.

1. Approval of the Harris Health System 2016 Quality Manual.
2. Approval to Modify the Information Technology Committee Charter.
3. Approval of an Agreement Between the Texas Health and Human Services Commission and Harris County Hospital District d/b/a Harris Health System to Participate in the Network Access Improvement Program.
4. Approval to Transfer Funds in an Amount Not to Exceed \$1,487,128 to the Harris County Engineering Department for the Design and Construction of the Ben Taub Hospital Garage Security Screening Project.
5. Approval to Enter Into the 4th Lease Year with Sepsa Precast Solutions Corp. for the Danny Jackson Health Center Located at 5503 N. Fry Road, Katy, Texas 77449 at a Monthly Rate of \$18,300.61 (\$219,607.32/Yr.) Plus Operating Expenses For the Term November 1, 2016 Through October 31, 2017.
6. Approval of the Third Amendment to the Agreement with the Texas Medical Center Central Heating and Cooling Services Corporation.
7. Approval to Ratify the Twenty-First Amendment to the Fidelity Trust Agreement, the Replacement of the BlackRock Equity Dividend Fund with the Diamond Hill Large Cap Fund, and the Addition of the Wells Fargo Stable Value Fund Agreement Under the 401(k) Plan, Each Effective March 30, 2016.
8. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and Alvin Community College District (Associate of Applied Science in Polysomnographic Technology Program).
9. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and Texas Woman's University (Doctor of Physical Therapy 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 (Doctor of Nursing Practice Program).
11. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and Lone Star College System – North Harris (Emergency Medical Technician Paramedic Certification Program).
12. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and Lone Star College System – North Harris (Associate of Applied Science in Emergency Medical Technician Paramedic Program).
13. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and Lone Star College System – Cy-Fair (Associate of Applied Science in Echocardiography Program).
14. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and College of the Mainland (Associate of Nursing Program).
15. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and Our Lady of the Lake University Worden School of Social Service (Masters of Science in Social Work Online Program).
16. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and Galena Park Independent School District (Health Science Technology Observation Program).
17. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and Aldine Independent School District (Health Science Technology Observation Program).
18. Approval of a Service Area Competition Grant Application for Harris County Hospital District d/b/a Harris Health System to Receive an Award in an Amount Not To Exceed \$3,709,884 from the United States Department of Health and Human Services Administration for the Health Care for the Homeless Program to Provide Health Services to Persons Experiencing Homelessness Under Section 330(h) of the Public Health Service Act.
19. Approval of a Grant Agreement in an Amount Not to Exceed \$405,480 Between Harris County Hospital District d/b/a Harris Health System and the Texas Department of State Health Services for Title V Child Health Services.
20. Approval of Categorical Funding in an Amount Not to Exceed \$230,576 from the Texas Health and Human Services Commission Awarded to Harris County Hospital District d/b/a Harris Health System for Healthy Texas Women Services.
21. Approval of a Grant Agreement in an Amount Not to Exceed \$69,750 Between Harris County Hospital District d/b/a Harris Health System and the Texas Department of State Health Services for Title V Prenatal Medical and Dental Services.
22. Approval of Participating Agreements Between Harris County Hospital District d/b/a Harris Health System and the Assistant Secretary for Preparedness and Response (ASPR) Under the Healthcare Preparedness Program for ASPR Year Fifteen.

23. Approval of a Grant Agreement in the Amount of \$154,324.54 from the Harris County Hospital District Foundation 2016 Texas Med Fun Run, 2015 Mini Cooper Car Raffle, and 2014 Texas Med Fun Run Awarded to Harris County Hospital District d/b/a Harris Health System for the Troubleshooters Mobile Immunization Program.
24. Approval of a Grant Agreement in the Amount of \$25,906.41 from the Harris County Hospital District Foundation Awarded to Harris County Hospital District d/b/a Harris Health System for the 2016 Shattered Dreams Balance of Funds.
25. Approval of a Grant Agreement in the Amount of \$2,854.62 from the Harris County Hospital District Foundation Awarded to Harris County Hospital District d/b/a Harris Health System for the VIVA Domestic Violence Balance of Funds.
26. Acceptance of the Harris County Auditor's Harris Health System Contract Administration Controls Auditor's Report.
27. Acceptance of the Harris County Auditor's Harris Health System Dietary Cash Collections Follow-Up Auditor's Report.

{End of Consent Agenda}

VI. Board Review and Action Items

A. Action Item Related to the Budget and Finance Committee

Motion 16.07-69

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

1. Approval of an Agreement Between Community Health Choice, Inc. and Harris County Hospital District d/b/a Harris Health System to Participate in the Network Access Improvement Program.

Mr. Michael Norby, Executive Vice President and Chief Financial Officer, presented the Agreement between Community Health Choice, Inc. and Harris County Hospital District d/b/a Harris Health System to participate in the Network Access Improvement Program. A copy of the Agreement is available in the permanent record.

B. Action Item Related to the Planning and Operations Committee

Motion 16.07-70

Moved by Ms. Anne Clutterbuck, seconded by Mr. Lawrence Finder, and passed that the Board approve agenda item VI.B.1. Ms. Daisy Stiner recused herself from agenda item VI.B.1.

1. Approval of a Lease Agreement Between Community Health Choice, Inc. and Agellan Commercial REIT US, LP to Establish an Expanded Call Center at 10900 Corporate Centre Drive, Houston, Texas 77041 at a Rate of \$15.50/NNN with \$0.25/Square Foot Annual Increases For a 36-Month Term Beginning November 1, 2016.

C. Miscellaneous Action Item

Motion 16.07-71

Moved by Mr. Lawrence Finder, seconded by Ms. Carol Graebner, and unanimously passed that the Board approve agenda item VI.C.1.

1. Review, Discussion, and Possible Action to Modify the Name of the Governing Body of the Harris County Hospital District d/b/a Harris Health System from the “Board of Managers” to the “Board of Trustees.”

Mr. Lawrence Finder stated that the role of the Board of Managers is that of trustees and not managers of Harris Health. He explained that Board members, in their roles as trustees, ensure the fiduciary interests of an organization and/or its stakeholders, act as guardians of an organization’s assets, have a duty to administer the assets with care and prudence, have a duty to exercise reasonable diligence and skill, and have a duty to maintain loyalty to the organization. Mr. Finder stated that the Board establishes roles and responsibilities, provides strategic direction for an organization, and bears ultimate responsibility for the success or failure of investment and other programs. He clarified that a trustee’s duties do not involve the operation or management of an organization. Mr. Finder stated that the Texas Health and Safety Code does not require the Board to be named the Board of Managers and recommended that the name change to the Board of Trustees because the members act in a fiduciary capacity. Ms. Carolyn Truesdell advised the Board to consider the costs and other practicalities involved with changing the name to the Board of Trustees. Mr. Masi stated that the Board and administration must focus on developing strategies to carry Harris Health into the future and that conflicts arise when Board members attempt to manage while strategizing. Ms. Daisy Stiner stated that although the Board’s name may change, the Board will continue to require certain information to properly fulfill its governance duties. Ms. Carol Graebner stated that the name change will accurately portray the Board’s function and will assist the Board in focusing on oversight and strategy. Ms. Truesdell stated that the Harris Health Board operates in a unique political environment and is required to follow directives from the Harris County Commissioners Court, which makes its responsibilities different from the boards of directors at other organizations. Ms. Anne Clutterbuck inquired whether the Harris County Commissioners Court must be notified of the proposed name change. Mr. Finder responded that the Board may change its name without the Harris County Commissioners Court’s approval but that a resolution may be required to amend the Board’s Bylaws.

VII. 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 Hillier, Vice President, Public Policy and Government Relations, led the discussion regarding activities in Austin relating to legislative/regulatory issues impacting Harris Health System. He stated that the State of Texas is continuing negotiations with the Centers for Medicare and Medicaid Services (CMS) regarding the Medicaid 1115 waiver renewal. Mr. Hillier announced that Harris Health is collaborating with the Wye River Group on Healthcare, a nonpartisan strategic think tank located in Austin, Texas, to determine the alternatives that exist for Medicaid expansion in Texas. Ms. Daisy Stiner requested that the Wye River Group and its proposed Medicaid expansion alternatives be discussed at the next Strategic Planning Committee meeting. Mr. Hillier reported that Dr. Catherine Eppes from Baylor College of Medicine testified before the Senate Committee on Health and Human Services on May 17, 2016 regarding the measures Harris Health has implemented to combat the Zika virus. He stated that Harris Health continues to negotiate with Governor Greg Abbott's office and the Texas Health and Human Services Commission to include chronic hemodialysis and peritoneal dialysis as a covered benefit under the emergency Medicaid program. Mr. Hillier reported that on May 3, 2016, Ms. Lori Upton from the SouthEast Texas Regional Advisory Council highlighted Harris Health in her presentation regarding Houston area responses to natural disasters at the Trauma Break to Educate legislative luncheon. He also reported that on July 13, 2016, Dr. Kenneth Mattox, Chief of Staff at Ben Taub Hospital (BTH), testified before the House Appropriations Committee regarding the importance of a comprehensive trauma system in the Harris County area. Finally, Mr. Hillier stated that in May 2016, Mr. Masi and three (3) other hospital district CEOs met with State Representative Four Price, who is a member of the House Appropriations Committee, to discuss Medicaid expansion, Medicaid 1115 Waiver renewal, and regional trauma center funding.

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 expressed concern regarding the site neutral payment provisions of Section 603 of the Bipartisan Budget Act of 2015, which state that off-campus hospital outpatient departments (HOPDs) that were not billing for services under the Medicaid Outpatient Prospective Payment System (OPPS) as of November 2, 2015 will be ineligible for reimbursement under the OPPS beginning January 1, 2017. Mr. Hillier explained that many of Harris Health's ambulatory care facilities are old and need to be replaced and that under the Section 603 site neutral payment provisions, the new facilities would be ineligible for HOPD reimbursement. Additionally, he stated that no federal funding to combat the Zika virus was approved and that the United States Congress is in recess until September 7, 2016. Mr. Hillier reported that all trauma legislation authorization bills have expired and he predicted that no new trauma bills will be considered by Congress until after the November 2016 elections. Ms. Clutterbuck requested that Mr. Hillier notify the Board Office when scheduling Congressional staff tours and meetings so that Board members can attend if they wish to do so.

VIII. Key Performance Reports

A. Committee Reports

1. Joint Conference Committee

Motion 16.07-72

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

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

Dr. Maya Suresh, Chair, Medical Executive Board, presented the July 2016 Medical Executive Board Report. She reported that Dr. Mohammad Zare, Chief of Staff of Ambulatory Care Services (ACS), stated that chronic opioid use is increasing and that CMS issued a mandate to prevent the overprescribing of opioid medications. She mentioned that ACS submitted a request to Mr. Masi for the creation of an interventional pain management service for Harris Health's patients. Dr. Suresh stated that Affiliated Medical Services (AMS) is reviewing the AMS contract to determine how to align the contract with the value-based healthcare model. Mr. Finder inquired regarding the issues faced by end-stage renal disease (ESRD) patients who receive treatment in the emergency rooms (ERs). Dr. Ericka Brown, Executive Vice President and Administrator, BTH, explained that patients who are unfunded and unable to access chronic dialysis care often resort to obtaining dialysis treatment at the BTH and Lyndon B. Johnson Hospital (LBJH) ERs. She stated that BTH receives between twenty (20) and thirty (30) ESRD patients daily who require emergent dialysis care. Mr. Alan Vierling, Executive Vice President and Administrator, LBJH, stated that ESRD patients requiring dialysis utilize between one quarter and one third of the ER beds at LBJH on a daily basis. Mr. Masi explained that these ESRD patients are chronic renal dialysis patients who are unable to obtain the requisite three (3) times weekly dialysis treatments that they need and therefore report to the ERs for acute dialysis care. He stated that Riverside Dialysis Center (Riverside) is operating at capacity and unable to accept additional patients. Dr. Michael Gardner, Executive Vice President and Administrator, ACS, reported that Riverside is applying for licensing to provide home-based peritoneal dialysis, which would reduce the some of the patient load in the ERs. Ms. Clutterbuck stated that the issue of ESRD patients receiving dialysis in the ERs is a challenge not just for Harris Health but for the entire community because the Harris County taxpayers are receiving the brunt of the cost. She recommended that Harris Health engage its community partners in a strategic discussion of who the ESRD patients are, why they are unfunded, and how the Harris County medical community can create solutions to share the treatment of these patients. Dr. Brown and Dr. Gardner responded that they will provide information to the Board regarding what percentage of Harris Health's ESRD patients are undocumented or are citizens who do not participate in insurance plans under the Affordable Care Act. A copy of the report is available in the permanent record.

Motion 16.07-73

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

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

Dr. Suresh presented the July 2016 credentialing changes for the members of the Harris Health System medical staff. She reported that there were forty-six (46) initial applications, sixty (60) reappointments, seventeen (17) resignations, and fifteen (15) change/add privileges. A copy of the report is available in the permanent record.

2. Performance Improvement and Patient Safety Committee

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

Dr. Parikshet Babber, Executive Vice President and Chief Medical Officer, presented the Harris Health System Quality Executive Summary and Scorecard. He reported that the system-level indicators regarding blood utilization, core measures, readmissions, and patient falls met or measured within 5% of the benchmarks for May 2016. Dr. Babber stated that corrective action plans were implemented regarding patient satisfaction indicators for quietness of hospital and care transition. He highlighted that ACS is realizing improvements regarding diabetic patient care and that he expects more positive changes over the next several months. Ms. Truesdell inquired regarding the reason for low outpatient rehabilitation scores at Quentin Mease Community Hospital (Quentin Mease). Dr. Brown responded that renovations are scheduled for the physical therapy department at Quentin Mease which, once completed, are expected to improve the quality indicators. A copy of the report is available in the permanent record.

3. Budget and Finance Committee

Motion 16.07-74

Moved by Ms. Carolyn Truesdell, seconded by Mr. Lawrence Finder, and unanimously passed that the Board approve agenda items VIII.A.3.a. and VIII.A.3.b.

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

Mr. Michael Norby, Executive Vice President and Chief Financial Officer, presented the Harris Health System June 2016 Financial Report. He reported that revenue totaled \$105.4M for the month, which was 3.9% less than budget. Mr. Norby explained that this variance was attributed to a timing difference in the distribution of state trauma funds, which were expected in June 2016 but instead will be received in August 2016. He stated that expenses were \$3.5M greater than budget year-to-date but that he expects Harris Health to correct the variance in the coming months and end the fiscal year with a breakeven budget.

Mr. Norby announced that the \$70M bond issue in support of the BTH operating room renovation and specialty clinic relocation project will close August 10, 2016. A copy of the report is available in the permanent record.

b. Acceptance of the Harris Health System Second Quarter CY2016 Pension Plan Report.

Mr. Norby presented the Harris Health System Second Quarter CY2016 Pension Plan Report. He reported that the asset value of the pension plan was \$572.8M and that it was 70.5% funded as of June 30, 2016. A copy of the report is available in the permanent record.

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

Mr. Kenneth Janda, President and Chief Executive Officer, Community Health Choice, Inc. (CHC, Inc.), presented the June 2016 financial statements of Community Health Choice, Inc. He reported a net income loss of \$4M for the month of June 2016, which was attributed to CHC, Inc. being required to contribute a greater amount than initially estimated to the risk adjustment program related to the Affordable Care Act. Mr. Janda forecasted that CHC, Inc. is likely to continue maintaining a lower than average risk score because its membership will continue to file insurance claims at a lower than expected rate. Ms. Stiner noted that low utilization rates of the Health Insurance Marketplace plans may be due to patients not having sufficient knowledge of how the plans operate rather than because CHC, Inc.'s members are healthier. A copy of the report is available in the permanent record.

IX. Executive Session

At 11:33 a.m., Mr. Franklin stated that the Board would enter into Executive Session under §161.032 of the Texas Health & Safety Code, the Texas Occupations Code Ann. §160.007, Texas Gov't Code Ann. §551.071, and Texas Gov't Code Ann. §551.074.

X. Reconvene

At 1:14 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 Settlement of Compensation Claims, Pursuant to Texas Gov't Code Ann. §551.071 and Possible Action Regarding this Matter Upon Return to Open Session.

Motion 16.07-75

Moved by Ms. Carolyn Truesdell, seconded by Ms. Daisy Stiner, and unanimously passed that the Board approve agenda item IX.C.

The Harris County Hospital District d/b/a Harris Health System ("Harris Health"), by and through its Board of Managers, approves and hereby authorizes settlements of compensation claims in an amount not to exceed \$72,363.98. George V. Masi, President/CEO of Harris Health, is authorized to execute any Agreement, release or any other necessary documents to effect this settlement.

- E. Discussion of Personnel Matters Regarding the LBJ Executive Vice President Pursuant to Tex. Gov't Code Ann. §551.074 and Possible Action Regarding this Matter Upon Return to Open Session.

No action was taken.

XI. Adjournment

Moved by Ms. Daisy Stiner, seconded by Ms. Carolyn Truesdell, and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at 1:15 p.m.

I certify that the foregoing are the Minutes of the meeting of the Board of Managers of the Harris County Hospital District d/b/a Harris Health System held at the Administration Building in Houston, Texas on July 27, 2016.

Respectfully submitted,

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





Ms. Anne Clutterbuck, Secretary
Board of Managers

Recorded by Kenya Shields