BOARD OF TRUSTEES

Public Meeting Agenda

HARRISHEALTH SYSTEM

Thursday, April 28, 2022
8:00 A.M.

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

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

Mission

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

AGENDA

I.	**Call to Order and Record of Attendance**	**Dr. Arthur Bracey**	**2 min**
II.	**Approval of the Minutes of Previous Meeting** • Board Meeting – March 24, 2022 • Special Called Board Meeting – April 12, 2022	**Dr. Arthur Bracey**	**2 min**
III.	**Announcements / Special Presentations**	**Dr. Arthur Bracey**	**8 min**
	A. CEO Report Including Updates on COVID-19 and Special Announcements ***– Dr. Esmaeil Porsa***		*(5 min)*
	B. Board Member Announcements Regarding Board Member Advocacy and Community Engagements		*(3 min)*
IV.	**Public Comment**	**Dr. Arthur Bracey**	**3 min**
V.	**Executive Session**	**Dr. Arthur Bracey**	**10 min**
	A. Report Regarding Quality of Medical and Healthcare, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002 to Receive Peer Review and/or Medical Committee Report in Connection with the Evaluation of the Quality of Medical and Healthcare Services, Including the Harris Health System Quality, Safety Performance Measures and Zero Harm, and Possible Action Regarding this Matter Upon Return to Open Session, Including Consideration of Approval of Credentialing Changes for Members of the Harris Health System Medical Staff ***– Dr. Steven Brass, Dr. Yashwant Chathampally and Dr. John Foringer*** **[Strategic Pillar 1:** Quality and Patient Safety**]**		*(10 min)*
VI.	**Reconvene to Open Meeting**	**Dr. Arthur Bracey**	**2 min**

VII. General Action Item(s) — **Dr. Arthur Bracey** — **11 min**
[Strategic Pillar 1: Quality and Patient Safety**]**

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

1. Consideration of Acceptance of the Medical Executive Board Report to Include Notice of Appointments and Selection of New Service Chiefs ***– Dr. John Foringer*** *(2 min)*
2. Consideration of Approval of Credentialing Changes for Members of the Harris Health System Medical Staff ***– Dr. John Foringer*** *(2 min)*

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

1. Consideration of Approval of Credentialing Changes for Members of the Harris Health System Correctional Health Medical Staff ***– Dr. Otis Egins*** *(2 min)*
2. Update Regarding Harris Health Correctional Health Quality ***– Dr. Otis Egins*** *(5 min)*

VIII. Strategic Discussion — **Dr. Arthur Bracey** — **55 min**

A. Harris Health System Strategic Plan Initiatives

1. Presentation Regarding 2022 Harris Health System Disparity Study ***– Colette Holt & Associates*** *(30 min)*
[Strategic Pillars 2: People & **3:** One Harris Health System**]**
2. Update Regarding Population Health Initiatives ***– Dr. Ann Barnes*** *(15 min)*
[Strategic Pillar 4: Population Health Management**]**
3. Presentation and Consideration of Approval of Population Health Collaboration with The University of Texas at Austin Dell Medical School ***– Dr. Ann Barnes*** *(10 min)*
[Strategic Pillar 4: Population Health Management**]**

IX. Consent Agenda Items — **Dr. Arthur Bracey** — **5 min**

A. Consent Purchasing Recommendations

1. Consideration of Approval of Purchasing Recommendations (Items A1 through A59) ***– Mr. DeWight Dopslauf and Mr. Jack Adger, Harris County Purchasing Office***
(See Attached Expenditure Summary: April 28, 2022)

B. Consent Grant Agreements

1. Consideration of Approval of Grant Agreement (Item B1 through B3) ***– Dr. Jackie Brock, Dr. Michael Nnadi and Dr. Ann Barnes***
(See Attached Grant Agreement Summary: April 28, 2022)

C. Consent Items for Board Approval

1. Consideration of Approval of a Resolution Setting the Rate of Mandatory Payment for the Harris County Hospital District Local Provider Participation Fund ***– Ms. Victoria Nikitin***

2. Consideration of Approval of Leases with the Harris County Sheriff's Office for the Correctional Health Services Program at ***– Mr. David Attard***

   - 701 North San Jacinto Street, Houston, Texas 77002
   - 700 North San Jacinto Street, Houston, Texas 77002
   - 1200 Baker Street, Houston, Texas 77002
   - 1307 Baker Street, Houston, Texas 77002

D. Consent Reports and Updates to Board

1. Harris Health System February 2022 Financial Reports Subject to Audit ***– Ms. Victoria Nikitin***

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

3. Annual 2021 NAIC Filing for Community Health Choice, Texas ***– Ms. Lisa Wright, Community Health Choice***

4. Annual 2021 NAIC Filing for Community Health Choice, Inc. ***– Ms. Lisa Wright, Community Health Choice***

E. Consent Item for Notice

1. Harris Health System Council-At-Large Meeting Minutes ***– Mr. Louis Smith***

   - March 14, 2022

   {End of Consent Agenda}

X. Item(s) Related to the Health Care For the Homeless Program — **Dr. Arthur Bracey** — **10 min**
[Strategic Pillar 1: Quality and Patient Safety**]**

A. Review and Acceptance of the Following Report(s) for the Health Care for the Homeless Program (HCHP) as Required by the United States Department of Health and Human Services, which Provides Funding to the Harris County Hospital District d/b/a/Harris Health System to Provide Health Services to Persons Experiencing Homelessness under Section 330(h) of the Public Health Service Act ***– Dr. Jennifer Small, Ms. Tracey Burdine and Dr. LaResa Ridge***

   - HCHP April 2022 Operational Update

B. Consideration of Approval of HCHP 2021 Service Area Analysis ***– Dr. Jennifer Small, Ms. Tracey Burdine and Dr. LaResa Ridge***

C. Consideration of Approval of HCHP 2021 Annual Risk Management Report ***– Dr. Jennifer Small, Ms. Tracey Burdine and Dr. LaResa Ridge***

D. Consideration of Approval of HCHP 2021-2022 Consumer Advisory Council Report ***– Dr. Jennifer Small, Ms. Tracey Burdine and Dr. LaResa Ridge***

XI. Executive Session — **Dr. Arthur Bracey** — **60 min**

B. Discussion Regarding the Acquisition of Real Property, Pursuant to Tex. Gov't Code §551.072 and Possible Action Regarding this Matter Upon Return to Open Session ***– Mr. David Attard*** *(10 min)*
[Strategic Pillar 5: Infrastructure Optimization**]**

C. Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA and Other Federal and State Healthcare Program Requirements and a Status of Fraud and Abuse Investigations, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Gov't Code §418.183, Tex. Gov't Code §551.089, Tex. Occ. Code Ann. §160.007, Tex. Occ. Code Ann. §151.002, and Tex. Gov't Code Ann. §551.071, Including Possible Action Regarding this Matter Upon Return to Open Session *(10 min)*
– Ms. Carolynn Jones
[Strategic Pillar 1: Quality and Patient Safety**]**

D. Consultation with Attorney Regarding Collaborative Opportunities with The University of Texas M.D. Anderson Cancer Center for the Development of a Clinical Facility on LBJ Campus, Pursuant to Tex. Gov't Code Ann. §551.071 and Tex. Gov't Code Ann. §551.085 and Possible Action Regarding this Matter Upon Return to Open Session, Including Consideration of Approval of a Term Sheet Between the Parties *(30 min)*
– Ms. Sara Thomas, Mr. Louis Smith and Mr. Michael Hill
[Strategic Pillar 3: One Harris Health System**]**

E. Consultation with Attorney Regarding Opportunities for Support of the Harris Health Strategic Plan, Pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session ***– Ms. Sara Thomas*** *(10 min)*

XII.	**Reconvene**	**Dr. Arthur Bracey**	**2 min**
XIII.	**Adjournment**	**Dr. Arthur Bracey**	**1 min**

MINUTES OF THE HARRIS HEALTH SYSTEM BOARD OF TRUSTEES
Board Meeting
Thursday, March 24, 2022
8:00 am

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
I. Call to Order & Record of Attendance	The meeting was called to order at 8:01 a.m. by Arthur Bracey, MD, Chair. It was noted that a quorum was present and the attendance was recorded. Dr. Bracey stated while some of Board members are in the room with us today, others will participate by videoconference as permissible by state law and the Harris Health Videoconferencing Policy. The meeting may be viewed online: http://harrishealthtx.swagit.com/live.	**A copy of the attendance is appended to the archived minutes.**
II. Approval of the Minutes of Previous Meeting	• Board Meeting – February 24, 2022 Dr. Bracey noted that there were minor revisions to the minutes related to the order of Executive Session items and corresponding times.	**Motion No. 22.03-36** **Moved by Dr. Andrea Caracostis seconded by Ms. Alicia Reyes, and unanimously passed that the Board approve the minutes of the previous meeting. Motion carried.**
III. Announcements/ Special Presentations	**A. CEO Report Including Updates on COVID-19 and Special Announcements** Dr. Esmaeil Porsa, President and Chief Executive Officer (CEO), recognized the following senior leadership: • Ms. Victoria Nikitin, named Executive Vice President and Chief Financial Officer, Effective March 1, 2022 • Mr. Omar Reid, named as Executive Vice President and Chief People Officer, Effective March 13, 2022 • Dr. Ann Barnes, Senior Vice President and Chief Health Officer, selected as one of five Houstonian Honorees by the U.S. Department of Health and Human Services for their Inaugural International Women's Day Dr. Porsa recognized the three (3) recipients of the HHS 2022 Fourth Quarter Patient Satisfaction Award. He stated that each provider achieved 100% patient satisfaction score, placing him or her in the 100th percentile. • Julia Reyser, MD, Vallbona Health Center • Yvonne Chu, MD, Ben Taub Ophthalmology • John Saunders, MD, Gulfgate Health Center	**As reported.**

Dr. Porsa recognized the recipients of the Fourth Quarter Top Performing Providers and Advanced Practice Professionals (APP). Each provider achieved at or above the 95th percentile of patient satisfaction scores:

Jasmine K Kalsi, MD	Casa De Amigos and Vallbona Health Centers	97.9	99th
Ching-Lan Shih, DDS	Acres, MLK, Strawberry and Aldine Dental Clinics	97.7	99th
Susette Arrozolo, NP	Cypress Health Center	97.1	99th
Michelle Wheeler, MD	Northwest Health Center	97.0	99th
Carol Manning, NP	Martin Luther King Jr. Health Center	96.8	99th
Rossie Gomez, DPM *Podiatry*	Gulfgate and Settegast Health Centers	96.7	99th
Steven Vo, DO	Acres and Aldine Health Centers	96.7	99th
Kathleen Schmeler, MD	OC Gynecology Clinic	96.6	99th
Lydia Sharp, MD	Smith Neurology Clinic	96.6	99th
Tariq Mansoor, MD	Baytown Health Center	96.5	99th
Jasmine Mitchell, MD	Aldine Health Center	96.3	99th
Craig B Pearl, DDS	Ben Taub Oral Surgery Clinic	96.3	99th
Omegie L Anabor, MD	Baytown Health Center	96.2	99th
Nicole Brooks, CNM *Midwife*	Casa De Amigos, Gulfgate Health Centers and BT OB Clinic	96.2	99th
Caitlin Wilson, RPH *PharmD*	Squatty Lyons Health Center	96.0	99th
Eric Lee, MD	Vallbona, Cypress and Northwest Health Centers	95.8	99th
Carolina Moody, DDS	Strawberry Dental Clinic	95.7	99th
Jason Holliday, MD	Aldine Health Center and OC Gynecology Clinic	95.7	99th
Mohammad Khoaja, MD	Gulfgate Health Center	95.7	99th
Jessy Jacob, OD	Martin Luther King Jr. Health Center	95.1	98th
Nathan Bender, MD	El Franco Lee Health Center	94.9	98th
Emma Omoruyi, MD	Cleveland E Odom Health Center	94.9	98th
Yussein Aguirre, MD	Aldine Health Center	94.7	98th
Monica Prado, MD	Casa De Amigos Health Center	94.5	97th
Hammad Mahmood, MD	Casa De Amigos Health Center	94.4	96th
John Higgins, MD	OC Cardiology Clinic	94.1	95th
Demi Martinez, RPH *PharmD*	Settegast Health Center	94.1	95th
Victoria Nnadi, MD	Strawberry Health Center	94.1	95th

Dr. Porsa provided some highpoints occurring with the System:

- Earlier this month, the pharmacy team went live with the Unit Based Pharmacist Practice Model in the Ben Taub (BT) Emergency Center.
- LBJ now has a state of the art 3 Tesla Siemens Magnetom Vida MRI Unit
- On Friday, March 18th, the Spirit Employee Resource Group (ERG) hosted a "Festival of Colors" celebration honoring the ancient Hindu festival that signifies the arrival of spring and the blossoming of love. The event featured a Hindu dance performance, traditional foods, and music.
- On Monday, March 21st, the MOSAIC ERG hosted a celebration in honor of No Rúz, the Persian New Year.

Dr. Porsa delivered an update regarding COVID-19, stating that the positivity rate across the region has fallen below 2.5% and that the number of daily COVID-19 cases has fallen significantly. He reported an average of 100 hospitalizations per day, which indicates that Harris Health has hit a plateau and that the numbers are not declining as quickly as before. Dr. Porsa reported that over the past week, Lyndon B. Johnson Hospital (LBJ) has not had one single COVID patient in the ICU. He encouraged people to follow him on Twitter at @EporsaHarrisHe1 and Like Harris Health on Facebook to learn more information about the System. A copy of the presentation is available in the permanent record.

	B. Board Member Announcements Regarding Board Member Advocacy and Community Engagements.	**There were no Board member announcements.**
IV. Public Comment	Ms. Cynthia Cole, Executive Director, Local #1550 – AFSCME, American Federation of State, County, and Municipal Employees, addressed the Board regarding matters related to employee resignations. She provided the top reasons why employees quit Harris Health System, some of which includes wage disparity, interrogation practices amongst Human Resources and Corporate Compliance departments, retaliation, favoritism and discrimination practices in the workplace. She urged the Board to research employee concerns and be intentional in supporting staff by making changes.	
V. Executive Session	At 8:16 a.m., Dr. Arthur Bracey stated that the Board would enter into Executive Session as permitted by law under Tex. Gov't Code Ann. §551.074, Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §151.002 and Tex. Occ. Code Ann. §160.007.	
	A. Report Regarding Quality of Medical and Healthcare, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002 to Receive Peer Review and/or Medical Committee Report in Connection with the Evaluation of the Quality of Medical and Healthcare Services, Including the Harris Health System Quality, Safety Performance Measures and Zero Harm, and Possible Action Regarding this Matter Upon Return to Open Session, Including Consideration of Approval of Credentialing Changes for Members of the Harris Health System Medical Staff	**No Action Taken. Dr. Arthur Bracey recused from discussions related to Baylor College of Medicine.**
	B. Report Regarding Correctional Health Quality of Medical and Healthcare, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002 to Receive Peer Review and/or Medical Committee Report in Connection with the Evaluation of the Quality of Medical and Healthcare Services, and Possible Action Regarding this Matter Upon Return to Open Session, Including Consideration of Approval of Credentialing Changes for Members of the Harris Health System Correctional Health Medical Staff	**No Action Taken.**
	C. Discussion Regarding the Evaluation of Chief Executive Officer, Pursuant to Tex. Gov't Code Ann. §551.074, and Possible Action Regarding this Matter Upon Return to Open Session	**No Action Taken.**
VI. Reconvene to Open Meeting	At 9:08 a.m., Dr. Arthur Bracey reconvened the meeting in open session; he noted that a quorum was present and that no action was taken in Executive Session.	

VII. General Action Item(s)	**A.** General Action Item(s) Related to Quality: Medical Staff 1. Acceptance of the Medical Executive Board Report to Include Notice of Appointments and Selection of New Service Chiefs. Dr. John Foringer, Chair, Medical Executive Board presented the Medical Executive Board Report. He stated that Dr. Martha Mims, Vice-Chair, Medical Executive Board, reported to the Cancer committee that the Cancer Program received full accreditation from the American College of Surgeons Commission on Cancer. Dr. Foringer mentioned that Harris Health submitted a letter of intent to the American Cancer Society to fund a patient navigator. He also noted that BT, LBJ and Ambulatory Care Services (ACS) worked collaboratively to submit the proposal for a navigator for thoracic oncology, in which twelve institutions will be awarded this grant. Additionally, Dr. Foringer highlighted that there are new credentials for IMPELLA, which is the placement of a catheter-based miniaturized ventricular assist device. A copy of the MEB report is available in the permanent record.	**Motion No. 22.03-37** **Moved by Ms. Alicia Reyes, seconded by Mr. Lawrence Finder, and unanimously passed that the Board approve agenda item VII.A.1. Motion carried.**
	2. Approval of Credentialing Changes for Members of the Harris Health System Medical Staff. Dr. Foringer presented the credentialing changes for members of the Harris Health System Medical Staff. He reported that there were seven (7) temporary privileges, twelve (12) initial appointments, thirty-three (33) reappointments, two (2) change/add privileges and zero (0) resignations. A copy of the report is available in the permanent record.	**Motion No. 22.03-38** **Moved by Ms. Alicia Reyes, seconded by Dr. Andrea Caracostis, and unanimously passed that the Board approve agenda item VII.A.2. Motion carried. Dr. Arthur Bracey recused on this matter related to Baylor College of Medicine.**
	B. General Action Item(s) Related to Quality: Correctional Health Medical Staff 1. Approval of Credentialing Changes for Members of the Harris Health System Correctional Health Medical Staff Dr. Otis Egins, Chief Medical Officer, Harris Health Correctional Health, presented the credentialing changes for members of the Harris Health System Correctional Health Medical Staff. He reported that there were eight (8) initial appointments. A copy of the report is available in the permanent record.	**Motion No. 22.03-39** **Moved by Dr. Andrea Caracostis, seconded by Dr. Ewan Johnson, and unanimously passed that the Board approve agenda item VII.B.1. Motion carried.**

VIII. Strategic Discussion	**A.** Harris Health System Strategic Plan Initiatives 1. Presentation Regarding Harris Health's Employee Engagement Results Mr. Omar Reid, Executive Vice President and Chief People Officer, delivered a presentation regarding Harris Health's Employee Engagement Results. There were two dimensions to the survey which included workplace experience and patient – care. Mr. Reid shared that Harris Health's overall rating as a place to work fell in 69th percentile and ranked in the 58th percentile for the likelihood to recommend Harris Health as a place to work. He touched upon the top ten key drivers as it correlates to overall rating as a place to work. One key driver with a significantly increased score was "Communication among the people I work with is never a problem." Mr. Reid stated that the overall rating as a place for care fell in the 72th percentile, and the Likelihood to Recommend Harris Health as a Place for Care fell in the 55th Percentile. He mentioned that the top ten key drivers in every patient centered care survey item is considered significantly above the NRC Health average. Additionally, Mr. Reid presented the 2021 Site Comparison Report. Discussion ensued regarding employee engagement and participations rates. A copy of the presentation is available in the permanent record.	**As Presented.**
	2. Presentation Regarding Harris Health's Medical Staff Engagement Results Dr. Steven Brass, Executive Vice President & Chief Medical Executive, delivered a presentation regarding Harris Health's Medical Staff Engagement Results. There were two main areas of focus which included Provider Workplace Experience and Provider Patient-Centered Care. Dr. Brass reported that Harris Health sampled 1,286 physicians and received a response rate of 39%. However, the typically NRC Health benchmark for responses is 44%. As it relates to Overall Rating as a Place to Practice, Harris Health ranked in the 17th percentile and in the 10th percentile for Likelihood to Recommend Harris Health as a Place to Practice. Dr. Brass presented the site comparison report and specialty comparison trends regarding Overall Rating as Place to Practice. Overall Harris Health ranked in the 14th percentile for overall place for care and in the 12th percentile for likelihood to recommend as a place for care. Additionally, Dr. Brass addressed the key takeaways and NRC recommendations for improvement. A copy of the presentation is available in the permanent record.	**As Presented.**

	3. Update and Discussion Regarding Nursing Recruitment and Retention Dr. Jackie Brock, Executive Vice President & Chief Nursing Executive, delivered a presentation regarding Nursing Recruitment and Retention. She stated that the average facility turnover rate according to the Texas Center for Nursing Workforce Studies for 2019 is 18.2% and the National RN Turnover Rate for CY2020 is 15.7%. Currently, Harris Health's RN Turnover rate is 18.69%. Dr. Brock provided a brief overview of new and ongoing nursing pay incentives. Pay incentives include specialty pay for ICU, EC, and OR nurses, crisis pay for licensed/unlicensed direct care staff for January COVID surge, and attendance bonuses for licensed/unlicensed critical roles. Dr. Brock addressed current partnerships with nursing schools, Houston Community College and Capital IDEA. She stated that Harris Health seeks to identify partners that can help meet workforce diversity goals and elevate communities through creating jobs and education. Dr. Brock highlighted additional nurse retention strategies including SelfCare for HealthCare, CNE monthly town halls, continued contracts with internal staffing agencies (Avant and Passport USA) as well as a contract with Healthstream to offer free continuing education activities and contact hours. A copy of the presentation is available in the permanent record.	**As Presented.**
	4. Presentation Regarding Harris Health's Training Programs Overview Dr. Cleveland Black, Associate Administrator, Human Resources Health Services, delivered a presentation regarding Harris Health's Training Programs. He provided a brief overview of the history of Harris Health educational programs dating back to 1935. Harris Health School of Diagnostic Medical Imaging offers four (4) unique hospital-based programs such as Radiology, Sonography/Ultrasound, Computed Tomography and Magnetic Resonance Imaging. In addition, Harris Health also offers Patient Care Assistant, Clinical Pastoral Educational, Pharmacy Residency, and Physical Therapy Residency Programs. Dr. Black stated that 99% of Harris Health's clinical affiliation agreements are with schools within the state of Texas. Additionally, Dr. Black highlighted the implementation of the Executive MBA program as Harris Health's flagship leadership development program. A copy of the presentation is available in the permanent record.	**As Presented.**
	5. Presentation and Introduction of HKS, Inc., Regarding Harris Health's Recommendation for Architecture and Engineering Design Services for the LBJ Replacement Hospital Project Mr. David Attard, Senior Vice President, Facilities, Constructions and Systems Engineering, delivered a presentation regarding Harris Health's Recommendation for Architecture and Engineering Design Services for the LBJ Replacement Hospital Project.	**As Presented.**

	Ms. Whitney Fuessel, Principal, HKS, Inc., introduced the HKS core team and its HUB partners. Mr. Terry Smith, Principal, Smith & Company Architects, stated that his company has completed several notable projects near the LBJ campus and has a significant presence in the local community. He stated that a collaborative approach will help to increase productivity and save time and money. Mr. Darryl King, Sr. Project Executive, PPG Global, stated that his team and its processes are centered on Harris Health's five strategic pillars. He shared that PPG has worked on the Houston Metro and Southwest Terminal projects among other large projects within the city of Houston. Mr. Saul Valentin, Founding Principal, Collaborate, stated that his commitment to the project and to ensuring a strong and collaborative partnership. A copy of the presentation is available in the permanent record.	
IX. Consent Agenda Items	**A. Consent Purchasing Recommendations** 1. Approval of Purchasing Recommendations (Items A1 through A51) Dr. Bracey noted that Purchasing's Transmittals (B1 through B20) are not for approval. Mr. Dewight Doplsauf, Purchasing Agent, Harris County Purchasing Office, noted that there is a correction to item A45 which was inadvertently left out of the purchasing packet. A copy of the purchasing recommendations is available in the permanent record.	**Motion No. 22.03-40** **Moved by Mr. Lawrence Finder, seconded by Ms. Alicia Reyes, and majority passed that the Board approve purchasing recommendations (Items A1 through A51). Motion carried.**
	Dr. Bracey stated that the following consent agenda items were discussed at length during the March Board Committee meetings.	
	B. Consent Items for Board Approval 1. Approval of Council-At-Large Bylaws 2. Approval of Harris Health Nursing Services Bylaws 3. Approval of the Harris Health System Investment Policy 4. Approval of an Amendment to the 2017 Harris Health Board Approved Naming Opportunities for the First Floor Renovation of the Ben Taub Hospital Level I Trauma Center, Pursuant to Harris County Hospital District's Policy 2.01 Naming of Hospital District Building, other Facilities, and Entities Policy Statement, for Philanthropic Donors to the HCHD Foundation's Second Capital Campaign	**Motion No. 22.03-41** **Moved by Ms. Elena Marks, seconded by Ms. Alicia Reyes, and unanimously passed that the Board approve agenda items VIII.B.1. through VIII.B.4. Motion carried.**
	C. Consent Reports and Updates to Board 1. Updates Regarding Pending State and Federal Legislative and Policy Issues Impacting Harris Health System	**For informational purposes only - No action required.**

	D. Consent Item for Notice 1. Harris Health System Council-At-Large Meeting Minutes • February 14, 2022 ***{End of Consent Agenda}***	**For informational purposes only - No action required.**
X. Executive Session	At 10:27 a.m., Dr. Arthur Bracey stated that the Board would enter into Executive Session as permitted by law under Tex. Gov't Code §551.071, Tex. Gov't Code §551.074, Tex. Gov't Code §418.183, Tex. Gov't Code §551.085, Tex. Gov't Code §551.089**,** Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §151.002 and Tex. Occ. Code Ann. §160.007.	
	B. Discussion Regarding the Evaluation of Chief Executive Officer, Pursuant to Tex. Gov't Code Ann. §551.074, and Possible Action Regarding this Matter Upon Return to Open Session.	**No Action Taken.**
	D. Discussion Regarding Harris Health System Executive Compensation, Pursuant to Tex. Gov't Code Ann. §551.074, and Possible Action Regarding this Matter Upon Return to Open Session	**No Action Taken.**
	E. Consultation with Attorney Regarding Collaborative Opportunities with The University of Texas M.D. Anderson Cancer Center, Pursuant to Tex. Gov't Code Ann. §551.071 and Tex. Gov't Code Ann. §551.085.	**No Action Taken.**
	F. Consultation with Attorney Regarding the Harris County Hospital District Foundation, Pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session.	**No Action Taken.**
	G. Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA and Other Federal and State Healthcare Program Requirements and a Status of Fraud and Abuse Investigations, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Gov't Code §418.183, Tex. Gov't Code §551.089, Tex. Occ. Code Ann. §160.007, Tex. Occ. Code Ann. §151.002, and Tex. Gov't Code Ann. §551.071, Including Possible Action Regarding this Matter Upon Return to Open Session.	**Pulled/Deferred**
XI. Reconvene	At 12:16 p.m., Dr. Arthur Bracey reconvened the meeting in open session; he noted that a quorum was present and that no action was taken in Executive Session.	

XII. Item(s) Related to Health Care for the Homeless Program	**A.** Review and Acceptance of the Following Reports for the Health Care for the Homeless Program (HCHP) as Required by the United States Department of Health and Human Services Which Provides Funding to the Harris County Hospital District d/b/a/Harris Health System to Provide Health Services to Persons Experiencing Homelessness under Section 330(h) of the Public Health Service Act Health Care for the Homeless Program. • **HCHP March 2022 Operational Update** Dr. Jennifer Small, Interim Executive Vice President, Ambulatory Care Services, presented Health Care for the Homeless Program (HCHP) operational update. She stated that there were 190 new adult patients and 12 new pediatric patients associated with the program. She noted that HCHP is expected to see approximately 9,775 patients per year as required by the Health Resources and Services Administration (HRSA). At the close of February, HCHP served 1,726 unduplicated patients and completed a total of 3,569 visits. Dr. Small stated that the amount of unduplicated patients seen overall has trended downward due to unforeseen factors such as weather events, a provider who is no longer with the program, and two site closures. As a result, HCHP has experienced a slight decline in patient visits for the month. Overall, HCHP has expensed 80% of the funds associated with the program during calendar year 2021. Dr. Small noted that any additional funds will be carried over to next year's budget. Dr. Small presented the HCHP Patient Satisfaction Report. She reported that four (4) out of six (6) metrics in January have either met or exceeded the programs targets for 2022. She noted that there are two areas for improvement, which include providers listening and communication between nurses and providers. Dr. Small noted that the 2021 Service Area Competition Application was discussed at a previous Board meeting, however it was not reflected in the minutes that it was approved. HCHP submitted an application to The Health Resources and Services Administration (HRSA) Service Area Competition (SAC) requesting $3.9M in grant funding which will enable HCHP to continue to provide patient-centered services. A copy of the operational update is available in the permanent record.	**Motion No. 22.03-42** **Moved by Ms. Alicia Reyes, seconded by Dr. Andrea Caracostis, and unanimously passed that the Board approve agenda item XII.A. Motion carried.**
	B. Approval of the HCHP Fourth Quarter Budget Report	**Motion No. 22.03-43** **Moved by Ms. Alicia Reyes, seconded by Dr. Ewan Johnson, and unanimously passed that the Board approve agenda item XII.B. Motion carried.**

	C. Approval of the HCHP Fourth Quarter Patient Satisfaction Report	**Motion No. 22.03-44** **Moved by Ms. Alicia Reyes, seconded by Dr. Andrea Caracostis, and unanimously passed that the Board approve agenda item XII.C. Motion carried.**
	D. Approval the 2022 HCHP Sliding Fee Scale	**Motion No. 22.03-45** **Moved by Dr. Andrea Caracostis, seconded by Ms. Alicia Reyes, and unanimously passed that the Board approve agenda item XII.D. Motion carried.**
	E. Approval of the 2022 HCHP Quality Management Plan	**Motion No. 22.03-46** **Moved by Ms. Alicia Reyes, seconded by Dr. Andrea Caracostis, and unanimously passed that the Board approve agenda item XII.E. Motion carried.**
	F. Approval of the 2021 Service Area Competition Application	**Motion No. 22.03-47** **Moved by Ms. Alicia Reyes, seconded by Dr. Andrea Caracostis, and unanimously passed that the Board approve agenda item XII.F. Motion carried.**
XIII. Item(s) Related to Ambulatory Surgical Center at LBJ Governing Body	**A.** Approval of the Ambulatory Surgical Center at LBJ Governing Body Bylaws	**Motion No. 22.03-48** **Moved by Dr. Ewan Johnson, seconded by Ms. Alicia Reyes, and unanimously passed that the Board approve agenda item XIII.A. Motion carried.**
	B. Approval to Appoint Board of Trustee Member to the Ambulatory Surgical Center at LBJ Governing Body • One (1) Board Member Appointment: 1. Ms. Jennifer Tijerina	**Motion No. 22.03-49** **Moved by Ms. Alicia Reyes, seconded by Dr. Ewan Johnson, and unanimously passed that the Board approve agenda item XIII.B. Motion carried.**

XIV. Adjournment	Moved by Mr. Lawrence Finder, seconded by Dr. Andrea Caracostis, and unanimously approved to adjourn the meeting. There being no further business to come before the Board, the meeting adjourned at 12:24 p.m.	

I certify that the foregoing are the Minutes of the Harris Health System Board of Trustees Meeting held on March 24, 2022.

Respectfully Submitted,

Arthur Bracey, M.D., Chair

Andrea Caracostis, M.D., Secretary

Minutes transcribed by Cherry Pierson

Thursday, March 24, 2022

Harris Health System Board of Trustees Board Meeting – Attendance

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

BOARD MEMBERS PRESENT	BOARD MEMBERS ABSENT
Dr. Arthur Bracey (Chair)	
Dr. Ewan Johnson (Vice Chair)	
Dr. Andrea Caracostis (Secretary)	
Ms. Alicia Reyes	
Ms. Elena Marks	
Ms. Jennifer Tijerina	
Professor Marcia Johnson	
Mr. Lawrence Finder	
Ms. Mia Mends	

EXECUTIVE LEADERSHIP
Dr. Esmaeil Porsa, President & Chief Executive Officer
Ms. Amy Smith, Senior Vice President, Transitions & Post-Acute Care
Dr. Ann Barnes, Senior Vice President & Chief Health Officer
Ms. Carolynn Jones, Executive Vice President & Chief Compliance and Risk Officer
Mr. Christopher Okezie, Vice President, Operations
Mr. David Attard, Senior Vice President, Facilities, Construction and System Engineering
Mr. Dwight Dopslauf, Purchasing Agent, Harris County Purchasing Office
Ms. Errika Perkins, Chief Assistant County Auditor, Harris County Auditor's Office
Dr. Glorimar Medina-Rivera, Executive Vice President, Ben Taub Hospital
Dr. Hemant Roy, Vice Chair, Harris Health System & Ben Taub Hospital
Mr. Jack Adger, Assistant Purchasing Agent, Harris County Purchasing Office
Dr. Jackie Brock, Executive Vice President & Chief Nursing Executive
Dr. Jason Chung, Associate Chief Medical Officer & Senior Vice President, Medical Affairs and Utilization
Mr. Jeffrey Baker, Executive Director, Harris County Hospital District Foundation
Dr. Jennifer Small, Interim Executive Vice President, Ambulatory Care Services
Dr. John Foringer, Chair, Medical Executive Board
Dr. Joseph Kunisch, Vice President, Quality Programs

Mr. Louis Smith, Senior Executive Vice President & Chief Operating Officer
Ms. Maria Cowles, Senior Vice President, Chief of Staff
Dr. Martha Mims, Vice Chair, Medical Executive Board
Dr. Matasha Russell, Chief Medical Officer, Ambulatory Care Services
Dr. Maureen Padilla, Senior Vice President, Nursing Affairs & Support Services
Mr. Michael Hill, Executive Vice President, Chief Strategy & Integration Officer
Mr. Michael Norby, Harris Health System Strategic Advisor
Ms. Monica Carbajal, Vice President, Contract Administration
Mr. Omar Reid, Executive Vice President, Chief People Officer
Dr. Otis Egins, Chief Medical Officer, Harris Health Correctional Health
Ms. Patricia Darnauer, Executive Vice President, Lyndon B. Johnson Hospital
Mr. R. King Hillier, Vice President, Public Policy & Government Relations
Dr. Sandeep Markan, Chief of Staff, Ben Taub Hospital
Ms. Sara Thomas, Vice President Legal Affairs/Managing Attorney, Harris County Attorney's Office
Dr. Steven Brass, Executive Vice President & Chief Medical Executive
Dr. Tien Ko, Chief of Staff, Lyndon B. Johnson Hospital
Ms. Victoria Nikitin, Executive Vice President, Chief Financial Officer
Dr. Yashwant Chathampally, Associate Chief Medical Officer & Senior Vice President, Quality and Patient Safety

OTHERS PRESENT	
Alma Aranda	Jennifer Zarate
Angela Russell	Jerald Summers
Antoinette Cotton	Karen Hughes (Burson Cohn & Wolfe)
Barron Bogatto (Jackson Walker)	Kimberly Sterling (Sterling)
Cherry Pierson	Maria DeLaCruz
Christine Victorian	Matthew Schlueter
Cleveland Black, MD	Michael Kaufman (Jackson Walker)
Cynthia Cole (AFSCME)	Nathan Bac
Daniel Smith	Nicholas Bell
Darryl King (PPG)	Paul Lopez
David Riddle	Randy Manarang
Debbi Garbade	Saul Valentin (Collaborate)
Debbie Boswell	Tai Nguyen
Denise Larue	Terry Smith (Smith & Co)
Derek Curtis	Tracey Burdine
Ebon Swofford	Whitney Fuessel (HSK)

Esperanza “Hope” Galvan	Xylia Rosenzweig
Holly Gummert	Yasmin Othman
Jamie Orlikoff (Orlikoff & Associates)	Zubin Khambatta (Perkins Coie LLP)

MINUTES OF THE HARRIS HEALTH SYSTEM BOARD OF TRUSTEES
Special Called Board Meeting
April 12, 2022
9:30 am

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
I. Call to Order & Record of Attendance	The meeting was called to order at 9:42 a.m. by Arthur Bracey, MD, Chair. It was noted that a quorum was present and the attendance was recorded. Dr. Bracey stated while some of Board members are in the room with us today, others will participate by videoconference as permissible by state law and the Harris Health Videoconferencing Policy. The meeting may be viewed online: http://harrishealthtx.swagit.com/live.	**A copy of the attendance is appended to the archived minutes.**
II. Public Comment		**There were no public speakers present.**
III. Consideration of Approval of a Resolution Setting the Rate of Mandatory Payment for the Harris County Hospital District Local Provider Participation Fund in May 2022 as Up to 1.47 Percent	Ms. Victoria Nikitin, Executive Vice President, Chief Financial Officer, stated that the District sets the amount of the mandatory payment to be collected in May 2022 as up to 1.47 percent of the net patient revenue of an institutional health care provider located in the District. Additionally, the 1.47 percent assessment level would support the maximum intergovernmental transfers (IGT) that is reasonably possible. A copy of the resolution is available in the permanent record.	**Motion No. 22.04-50** **Moved by Dr. Andrea Caracostis, seconded by Mr. Lawrence Finder, and unanimously passed that the Board approve agenda item III. Motion carried.**
IV. Adjournment	Moved by Dr. Andrea Caracostis, seconded by Mr. Lawrence Finder, and unanimously approved to adjourn the meeting. There being no further business to come before the Board, the meeting adjourned at 9:49 a.m.	

I certify that the foregoing are the Minutes of the Harris Health System Board of Trustees Meeting held on April 12, 2022.

Respectfully Submitted,

Arthur Bracey, M.D., Chair

Andrea Caracostis, M.D., Secretary

Minutes transcribed by Cherry Pierson

Tuesday, April 12, 2022

Harris Health System Board of Trustees – Special Called Board Meeting Attendance

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

BOARD MEMBERS PRESENT	BOARD MEMBERS ABSENT
Dr. Arthur Bracey (Chair)	Ms. Alicia Reyes
Dr. Ewan Johnson (Vice Chair)	Ms. Mia Mends
Dr. Andrea Caracostis (Secretary)	
Ms. Elena Marks	
Ms. Jennifer Tijerina	
Professor Marcia Johnson	
Mr. Lawrence Finder	

EXECUTIVE LEADERSHIP
Dr. Esmaeil Porsa, President & Chief Executive Officer
Ms. Carolynn Jones, Executive Vice President & Chief Compliance and Risk Officer
Mr. Christopher Okezie, Vice President, Operations
Mr. David Attard, Senior Vice President, Facilities, Construction and System Engineering
Mr. Dwight Dopslauf, Purchasing Agent, Harris County Purchasing Office
Dr. Jackie Brock, Executive Vice President & Chief Nursing Executive
Dr. Jason Chung, Associate Chief Medical Officer & Senior Vice President, Medical Affairs and Utilization
Dr. Jennifer Small, Interim Executive Vice President, Ambulatory Care Services
Dr. Joseph Kunisch, Vice President, Quality Programs
Mr. Louis Smith, Senior Executive Vice President & Chief Operating Officer
Ms. Maria Cowles, Senior Vice President, Chief of Staff
Dr. Martha Mims, Vice Chair, Medical Executive Board
Dr. Matasha Russell, Chief Medical Officer, Ambulatory Care Services
Dr. Michael Nnadi, Senior Vice President, Chief Pharmacy Officer
Mr. Michael Norby, Harris Health System Strategic Advisor
Ms. Olga Rodriguez, Vice President, Community Engagement & Corporate Communications
Mr. Omar Reid, Executive Vice President, Chief People Officer
Dr. Otis Egins, Chief Medical Officer, Harris Health Correctional Health
Ms. Patricia Darnauer, Executive Vice President, Lyndon B. Johnson Hospital

Mr. R. King Hillier, Vice President, Public Policy & Government Relations
Ms. Sara Thomas, Vice President Legal Affairs/Managing Attorney, Harris County Attorney's Office
Ms. Sharon Brantley Smith, Assistant County Auditor, Harris County Auditor's Office
Dr. Steven Brass, Executive Vice President & Chief Medical Executive
Ms. Victoria Nikitin, Executive Vice President, Chief Financial Officer

OTHERS PRESENT	
Antoinette Cotton	Nicholas Bell
Cherry Pierson	Paul Lopez
Daniel Smith	Randy Manarang
Ebon Swofford	Tai Nguyen
Jennifer Zarate	Xylia Rosenzweig
Jerald Summers	Yasmin Othman
Matthew Schlueter	

BOARD OF TRUSTEES

Meeting of the Board of Trustees

HARRISHEALTH SYSTEM

Thursday, April 28, 2022

CEO Report Including Updates on COVID-19 and Special Announcements

Thursday, April 28, 2022

Board Member Announcements

Board Member Announcements Regarding Board Member Advocacy and Community Engagements

Public Comment Request and Registration Process

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

How to Request to Address the Board of Trustees

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

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

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

Rules During Public Comment Period

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

Three Minutes

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

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Thursday, April 28, 2022

Executive Session Agenda Item

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

- Pages 28-44 Were Intentionally Left Blank -

Thursday, April 28, 2022

Consideration of Acceptance of the Medical Executive Board Report

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The Harris Health System Medical Executive Board Report is presented for Board review and acceptance.

MINUTES OF THE MEDICAL EXECUTIVE BOARD
Harris Health System
April 12, 2022 4:00pm

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
CALL TO ORDER	The Medical Executive Board Meeting was called to order at 4:00 p.m. by John Foringer, MD, Chair.	**As reported.**
MINUTES OF THE PREVIOUS MEETING	The minutes of the March 8, 2022 meeting of the Harris Health Medical Executive Board were reviewed and approved.	**A copy of the minutes is appended. A summary of the minutes was submitted to the Harris Health Board of Trustees for review and acceptance.**
HARRIS HEALTH POLICIES	***Policy 4471 – Emergency Resuscitation Cart (Crash Cart)*** Sidney Brown presented an overview of Policy 4471 – Emergency Resuscitation Cart (Crash Cart). It was moved and seconded to approve Policy 4471 – Emergency Resuscitation Cart (Crash Cart) as presented. Motion carried. ***Policy 3466.01 – Red Rules*** ***Policy 7.11 – Patient Identification*** Carolynn Jones addressed Policy 3466.01 - Red Rules and Policy 7.11 – Patient Identification. She presented an overview of Policy 3466.01 - Red Rules. She stated that it is clear in the policy that if you are re needing to deliver emergency medical care (lifesaving/ life or limb care), we are not going to penalize you for failing to perform an appropriate time out or properly identify the patient. We do also recognize that there needs to be some judgment and that sometimes you do have time and that it is valuable to do the time out or to properly identify the patient. We know that is an area we are going to have to defer to clinical judgment on. The BT team through the Medical Executive Committee helped us flesh that out a little bit further. It was moved and seconded to approve Policy 7.11 – Patient Identification and Policy 3466.01 – Red Rules as presented. Motion carried. Dr. Markan thanked all those involved in the development and revisions of these policies. **Policies & Medical Staff Meeting Attendance** Dr. Foringer stated that we see many policies and procedures coming through the Medical Executive Board for approval and there are a number of committees these policies go through. We had our ICC and SOS committees today - SOS being one of the first committees the policies go through. At times, the medical staff can voice their opinion about how long it	**It was moved and seconded to approve Policy 4471 – Emergency Resuscitation Cart (Crash Cart) as presented. Motion carried.** **It was moved and seconded to approve Policy 7.11 – Patient Identification and Policy 3466.01 – Red Rules as presented. Motion carried.**

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	might take to get a policy through the approval system. However, we could not vote on any of the policies and procedures in ICC today because we didn't have a quorum. Half of the medical staff were absent from the committee meeting. He encouraged those on these committees to make sure they are coming to the meetings of those committees they are assigned to. Anyone not able to fulfill that role should contact him, Dr. Markan, or Dr. Ko so they can replace them on these committees. This is important work and we do want to move it through the system.	
NEW BUSINESS	**Nurse Driven Indwelling Urinary Catheter Removal SMO** Herbert Ortiz presented an overview of the Nurse Driven Indwelling Removal SMO. There was just one minor change to the appendix of the SMO. It was moved and seconded to approve the Nurse Driven Indwelling Urinary Catheter Removal SMO. Motion carried. **Surgical Counts and Prevention of Unintentionally Retained Items Policy** Khaleela Umheni gave an overview of the Surgical Counts and Prevention of Unintentionally Retained Items Policy. This policy was developed after two safety events in our OB ORs. This was previously a guideline but will now be a system policy. This policy has gone through review by the surgical and anesthesiology teams at both pavilions. It was moved and seconded to approve the Surgical Counts and Prevention of Unintentionally Retained Items Policy. Motion carried.	**It was moved and seconded to approve the Nurse Driven Indwelling Urinary Catheter Removal SMO. Motion carried.** **It was moved and seconded to approve the Surgical Counts and Prevention of Unintentionally Retained Items Policy. Motion carried.**
STANDING BUSINESS	**Reports from the Chiefs of Staff** *Ambulatory Care Services (ACS)* Dr. Russell stated that the MEC approved the Red Rules and Patient ID Policies. We had a report by Dr. Lindy McGee who has a CPRIT grant to improve the HPV vaccination rate. In 2016, the baseline initiation rate for HPV vaccination was at 53% and it is currently at 90%. There was a focus on DNV readiness. Dr. Small provided an update on the ASC. Dr. Schlueter talked about the transition plan from our PCT positions to MA positions. Dr. Brass also provided an update on correctional health. *Ben Taub Hospital (BT)* Dr. Markan stated that there was extensive discussion at the meeting related to the Red Rules Policy. We received a report from Dr. Brass that included some updates around the physician engagement survey and patient safety. Dr. Brock gave an update on staffing and all efforts going on to improve and increase procedural capacity in different units. Our ORs are currently functioning at 13 rooms plus 1 stat. *Lyndon B. Johnson Hospital (BT)* Dr. Ko stated that the MEC discussed the current activities and status of the EC. The main issue has been the inability to transfer patients out due to lack of capacity in the community. This has caused increased boarding hours. Dr. Brass presented information on	

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	the intra-system transfers in 2021. The number of transfers from BT has recently gone down due to the volume and activity at BT. He stated that we had an ACOG site visit for our obstetrics program. It was a remarkable visit. They cited that there were no deficiencies and there were 18 outstanding best practices. He recognized Dr. Berens and Maria de Souza for their leadership. Dr. Foringer thanked Dr. Ko, Ms. Darnauer and everyone involved with the new physician lounge at LBJ for the residents and attendings. There has been a lot of good, positive feedback. it shows Harris Health dedication to faculty and residents like we've never seen before. Dr. Ko stated that we also had a nice celebration for Doctors Day. He thanked Brass, Dr. Chung, Ms. Darnauer and others that came to celebrate with us. Dr. Markan agreed with Dr. Foringer and Dr. Ko, adding that Dr. Medina and the entire Harris Health administrative group provided a great Doctors Day celebration at Ben Taub. It was moved and seconded to accept the three Chief of Staff Reports. Motion carried. **Chief Nursing Executive Report** Dr. Brock stated that our crisis nurses are out of both facilities as of the end of March. We have about 300 contract nurses in the system - approximately 100 are at LBJ and 175 at BT. We continue to maintain our contract nurses to the extent needed to help fill our vacancies, which is over 600. We are continuing to recruit to onboard nurses of our own. We onboarded 150 new graduates in February and they will be coming in from now to October depending on their specialty. Nurses Week is May 6-May 12 and we look forward to celebrations for that. She extended her congratulations to all the physicians for Doctors Day.	**It was moved and seconded to accept the three Chief of Staff Reports. Motion carried.**
COMMITTEE REPORTS	**Bylaws Committee** Dr. Foringer stated that the committee is continuing to look at all committees including the structure of the committee, their reporting requirements, membership, and other areas. We are asking the Chair of the committee to attend the meeting when they are up for review. We are expecting Medical Records to come back for a follow-up at the next meeting. **Cancer Committee** Dr. Ma stated that we had a discussion about some of the surgical parameter metrics that are required by the Commission on Cancer. We also had a discussion around the cancer registry including some of the ongoing corrective actions from the last survey. There was also an update on a number of grants that are supporting oncology based projects. **Ethics Committee** Dr. Fisher stated that Dr. Issa Hanna has been named the Co-Chair of the Ethics Committee.	**A copy of the Bylaws Committee Report is appended to the archived minutes.** **A copy of the Cancer Committee Report is appended to the archived minutes.** **A copy of the Ethics Committee Report is appended to the archived minutes.**

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	Emergency Center Committee Dr. Sharma stated that we continue to struggle with boarders at both facilities which is multifactorial. **Pharmacy & Therapeutics Committee** Dr. Ericsson stated that the cardiovascular subcommittee reported on a new heparin protocol. The committee also reviewed their charter. The CNS Commit had changes to the neuromuscular blockade monitoring changes. The Hem/Onc Subcommittee reviewed and approved new Beacon treatment protocols. They also created guidelines for the antihemophiliac factors and reviewed the subcommittee charter. MUSC reported on opportunities identified through near misses. **Physician Advisory Committee** Dr. O'Brien stated that we have an upcoming Epic upgrade on Sunday, April 24. One of the highlights for this upgrade is how medications will appear on the after visit summary. It'll be more clear which medications the patient is taking, what they will stop and continue taking. She presented a screen shot of how that will appear. Agfa image share went live in January - this is part of our enterprise imaging solution where an image link for PACS images is sent to the patient directly or sent directly to a physician instead of having to produce a CD. The pharmacy IT group is working with the informatics group to standardize IV fluid nomenclature and IV infusions of critical medications. Residents and fellows currently have a cosigner requirement when they're writing a new outpatient prescription for electronic prescribing of controlled substances. Epic is now able to separate the cosign requirement for the new prescription, modifying a prescription, and discontinuing a prescription. The PAC decided to have the resident to designate a new attending whenever they're modifying a controlled substance and a new prescription would be generated. We received approval from Compliance and got approval to not require an attending co-signature for discontinuation of a controlled substance. We now have an electronic memorandum of transfer instead of the paper process. We also went live with Epic in the jail at the end of last year. Dr. Garcia-Prats asked if the image share was available to them when transferring patients to other institutions. Dr. O'Brien stated yes. HIM and the Transfer Center have been educated on how to do that. They are the ones mostly facilitating that image link. She stated that she would provide more information to Dr. Garcia-Prats. Dr. Scott asked for clarification on an item. He stated that the jail is a completely separate medical staff and no one on this call has an appointment at the jail to his knowledge. He asked for clarification on why our medical staff committees were working on their informatics. Dr. O'Brien stated that it is her understanding that we have an agreement with	**A copy of the Emergency Center Committee Report is appended to the archived minutes.** **A copy of the Pharmacy & Therapeutics Committee Report is appended to the archived minutes.**

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	the Jail to help them with Epic because we see a lot of their patients. It was stated that we had already integrated Epic into the Jail before the new medical staff was there. Dr. Scott stated that this is the MEB for our medical staff. Our medical staff is Ben Taub, LBJ and ACS. It is a structural issue and it seems like correctional health should be separate. Dr. O'Brien stated that we have other affiliate clinics and they have pretty integrated but separate systems. Dr. Scott asked if PAC was a Harris Health Committee or a MEB Committee. Dr. O'Brien stated that it is a medical staff committee. Dr. Foringer stated that this is a good question. He recommended having an offline conversation with Carolynn Jones. He will include Dr. O'Brien, Dr. Scott and Adriana Barron in that conversation to see whether we should separate these out or leave them as is. Dr. Scott stated that you can have a Harris Health IT Committee the reports to all three medical staffs that supports it and integrates it. However, it shouldn't be called a medical staff committee of the MEB. This is our Medical Executive Board for those affiliated with this entity. We are not affiliated with the jail. Only Harris Health is affiliated with the jail. Dr. Foringer will send an email to Carolynn Jones and include those mentioned earlier. Dr. O'Brien asked that David Webb be included.	**A copy of the Physician Advisory Committee Report is appended to the archived minutes.** **Dr. Foringer will send an email to Carolynn Jones and include Dr. Scott, Dr. O'Brien, Adriana Barron and David Webb to start the discussion related to the medical staff committees and the Harris County Jail.**
	Utilization Review Committee Dr. Foringer stated that the Utilization Review Committee Report was included in the packet for review and information. It was moved and seconded to approve the Bylaws, Cancer, Ethics, Emergency Center, Pharmacy & Therapeutics, Physician Advisory, and Utilization Review Committee Reports as presented. Motion carried.	**A copy of the Utilization Review Committee Report is appended to the archived minutes.** **It was moved and seconded to approve the Bylaws, Cancer, Ethics, Emergency Center, Pharmacy & Therapeutics, Physician Advisory, and Utilization Review Committee Reports as presented. Motion carried.**
	Medical Records Committee Dr. Wesley presented the Medical Records Committee Report. The Hypoglycemia Management Order Set and Adult Subcutaneous Insulin Order Set were presented for approval. Minor updates were made to both based on current dextrose shortages. It was moved and seconded to approve the Medical Records Committee Report as presented. Motion carried. It was moved and seconded to approve the Hypoglycemia Management Order Set and Adult Subcutaneous Insulin Order Set as presented. Motion carried.	**A copy of the Medical Records Committee Report is appended to the archived minutes.** **<u>Approved:</u>** • **Report** • **Hypoglycemia Management Order Set** • **Adult Subcutaneous Insulin Order Set**
	Credentials Committee Dr. Scott presented the Credentials Committee Report. There were 8 temporary privileges, 20 initial applications, 58 reappointments, 8 change/add privileges, and 7 resignations. The Credentials Committee Report was approved as presented.	**A copy of the Credentials Committee Report is appended to the archived minutes. Following is a list of actions made by the Medical Executive Board.**

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	Cardiology Clinical Privileges – Proposed Coronary Lithotripsy Qualifications Dr. Scott presented the proposed Coronary Lithotripsy language for the cardiology clinical privileges. **QUALIFICATIONS FOR CORONARY LITHOTRIPSY** Initial Appointment Applicants must meet qualifications listed in 1-3. Reappointment Applicants must meet qualifications listed in 4 only. 1. ***Educational/Training requirements:*** Successful completion of an ACGME- or AOA-accredited post-graduate training program in interventional cardiology. 2. ***Required previous experience:*** Demonstrated current competence and evidence of the performance of at least 2 coronary lithotripsy procedures, either during fellowship within the last 24 months or 2) confirmed by the device manufacturer (Shockwave Medical® or other) within the last 12 months. 3. ***Proctoring requirements:*** Within 120 days following the granting of privileges, 3 additional cases will be reviewed by an interventional cardiologist for satisfactory performance and outcomes; beginning January 1, 2023 this reviewer should have coronary lithotripsy privileges at Harris Health System. 4. ***Reappointment requirements:*** Demonstrated current competence and evidence of the performance of at least 5 cases in the past 24 months. It was moved and seconded to approve the qualifications for coronary lithotripsy for credentialing. Motion carried. *New Palliative Care Privileges* Dr. Scott presented the new, proposed palliative care privileges. Palliative Care at both pavilions met to develop core credentialing for their service. It does incorporate staff that have been on this service since before it became a specialty. It was moved and seconded to approve the new palliative care privileges. Motion carried. Dr. Foringer asked if this would come at the time of reappointment for our current palliative care physicians. Dr. Scott stated that it would be easiest to include them at the time of reappointment. The Medical Executive Board went into Executive Session at 4:51pm. The Medical Executive Board reconvened at 4:54pm.	**Approved:** • **8 temporary privileges** • **20 initial applications** • **58 reappointments** • **8 change/add privileges** • **7 resignations** **It was moved and seconded to approve the qualifications for coronary lithotripsy for credentialing. Motion carried.** **It was moved and seconded to approve the new palliative care privileges. Motion carried.**
ADJOURNMENT	There being no further business to come before the Medical Executive Board, the meeting adjourned at 4:55 p.m.	

Thursday, April 28, 2022

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

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The Harris Health System Medical Executive Board approved the attached credentialing changes for the members of the Harris Health System Medical Staff for April 28, 2022.

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

Thank you.

Credentials Committee Report

April 2022

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HARRIS HEALTH SYSTEM - MEDICAL STAFF SERVICES
CCM TEMPORARY PRIVILEGES ROSGTER 4/6/2022

ID	Affil	L Name	Full Name	Faculty Appointment	Assignments
442609	UTX	Ahmed	Mushtaque Ahmed, MD	Clinical Assistant Professor	Family & Community Medicine
52011	UTX	Armstrong	Jacob Allen Armstrong, MD	Assistant Professor	Pathology
442503	BCM	Candelari	Abigail Candelari, Ph.D.	Assistant Professor	Psychiatry
442248	BCM	Mathew	Sini Mathew, NP	Nurse Practitioner	Int Med-Cardiology
39789	UTX	Myers	Lee Myers, MD	Associate Professor	Radiology
442431	BCM	Santhakumar	Sachin Santhakumar, MD	Assistant Professor	Emergency Medicine
442598	BCM	Wojcik	Katharine Wojcik, PhD	Assistant Professor	Psychiatry
439879	UTX	Thetford	Caitlin Rachelle Thetford, CRNA	Certified Nurse Anesthetist	Anesthesiology

HARRIS HEALTH SYSTEM - MEDICAL STAFF SERVICES
CCM INITIALS ROSTER 4/6/2022

ID	Affil	L Name	Full Name	Faculty Appointment	Assignments	License Type	License Exp Date
442609	UTX	Ahmed	Mushtaque Ahmed, MD	Clinical Assistant Professor	Family & Community Medicine	State License	8/31/2023
						DEA	6/30/2024
052011	UTX	Armstrong	Jacob Allen Armstrong, MD	Assistant Professor	Pathology	State License	8/31/2022
						DEA	Not Required
432905	BCM	Assalita	Steven Assalita, MD	Assistant Professor	Int Med-Cardiology	State License	2/28/2022
						DEA	6/30/2022
442503	BCM	Candelari	Abigail Candelari, Ph.D.	Assistant Professor	Psychiatry	State License	1/6/2024
						DEA	Not Required
042949	UTX	Dwibhashi	Vijaya Dwibhashi, MD	Clinical Instructor	Internal Medicine	State License	8/31/2022
						DEA	6/30/2024
442449	UTX	Elliott	Shannon Elliott, PA	Physician Assistant	Radiology	State License	8/31/2022
						DEA	Not Required
043472	UTX	Hudson	Jessica Ann Hudson, MD	Assistant Professor	Emergency Medicine	State License	8/31/2023
						DEA	10/31/2024
442248	BCM	Mathew	Sini Mathew, NP	Nurse Practitioner	Int Med-Cardiology	State License	4/30/2022
						DEA	1/31/2023
433174	BCM	Moran	Tyler Moran, MD, PhD	Assistant Professor	Int Med-Cardiology	State License	8/31/2023
						DEA	1/31/2025
55113	UTX	Morris	Vershanna Emily Morris, MD	Assistant Professor	Neonatal-Perinatal	State License	11/30/2023
						DEA	1/31/2025
39789	UTX	Myers	Lee Myers, MD	Associate Professor	Radiology	State License	3/1/2023
						DEA	1/31/2024
442388	BCM	Nguyen	Jenny Nguyen, NP	Nurse Practitioner	Int Med-Oncology	State License	10/31/2022
						DEA	10/31/2022
442502	BCM	Reber	Kristina Marie Reber, MD	Professor	Pediatric Neonatal-Perinatal Medicine	State License	5/31/2023
						DEA	4/30/2024
441800	BCM	Saeed	Mohammad Saeed, MD	Assistant Professor	Int Med-Cardiology	State License	5/31/2023
						DEA	2/29/2024
442431	BCM	Santhakumar	Sachin Santhakumar, MD	Assistant Professor	Emergency Medicine	State License	8/31/2022
						DEA	2/29/2024
439879	UTX	Thetford	Caitlin Rachelle Thetford, CRNA	Certified Nurse Anesthetist	Anesthesiology	State License	3/31/2023
						DEA	Not Required
432861	BCM	Upadhyay	Ankit Upadhyay, MD	Assistant Professor	Int Med-Cardiology	State License	5/31/2022
						DEA	5/31/2023
438690	BCM	Warner	Claire Warner, PA	Instructor	Family & Community Medicine	State License	5/23/2022
						DEA	5/31/2022
442598	BCM	Wojcik	Katharine Wojcik, PhD	Assistant Professor	Psychiatry	State License	12/16/2023
						DEA	Not Required
044864	UTX	Wu	Jennifer Delores Wu, MD	Assistant Professor	Anesthesiology	State License	8/31/2023
						DEA	5/31/2022

HARRIS HEALTH SYSTEM - MEDICAL STAFF SERVICES
CCM REAPPOINTMENTS ROSTER 4/6/2022
EXP. 4/30/2022

ID	Affil	L Name	Full Name	Faculty Appointment	Assignments	License Type	License Exp Date
435905	UTX	Abad	Linda S Abad, PA	Physician Assistant	Emergency Medicine	State License	8/31/2023
						DEA	6/30/2024
052803	UTX	Afifi	Rana Omar Afifi, MD	Assistant Professor	Surgery	State License	11/6/2022
						DEA	6/30/2024
006001	UTX	Andrassy	Richard John Andrassy, MD	Professor	Surgery-General Surgery	State License	5/31/2024
						DEA	6/30/2022
005979	BCM	Colon-Rivera	Nilda Luz Colon-Rivera, MD	Assistant Professor	Family & Community Medicine	State License	11/30/2023
						DEA	8/31/2022
430989	BCM	Elmaoued	Ruba Elmaoued, MD	Assistant Professor	Anesthesiology	State License	5/31/2023
						DEA	8/31/2022
039069	UTX	Frontera	Joel Ernesto Frontera, MD	Associate Professor	Physical Medicine and Rehabilitation	State License	11/30/2023
						DEA	9/30/2023
435805	UTX	Kim	Christina Y. Kim, MD	Assistant Professor	Neurology	State License	8/31/2022
						DEA	12/31/2023
038036	UTX	Ko	Tien C Ko, MD	Professor	Surgery-General Surgery	State License	11/30/2023
						DEA	12/31/2023
438277	UTX	Koch	Mark Ian Koch, PA	Physician Assistant	Emergency Medicine	State License	12/31/2022
						DEA	8/31/2022
053413	BCM	Matin	Asna Matin, MD	Assistant Professor	Psychiatry	State License	8/31/2023
						DEA	1/31/2025
035626	BCM	Mayer	Wesley Adam Mayer, MD	Assistant Professor	Urology	State License	11/30/2023
						DEA	1/31/2024
432333	BCM	Pederson	William Christopher Pederson, MD	Professor	Plastic Surgery	State License	3/31/2023
						DEA	11/30/2023
025675	MDA/UTA	Ramondetta	Lois Michelle Ramondetta, MD	Professor	Obstetrics and Gynecology	State License	5/31/2022
						DEA	4/30/2025
001096	BCM	Robertson	Claudia Sue Robertson, MD	Professor	Neurosurgery	State License	5/31/2023
						DEA	4/30/2022
043567	BCM	Soler-Alfonso	Claudia Rocio Soler-Alfonso, MD	Assistant Professor	Int Med-Molecular & Human Genetics	State License	5/31/2022
						DEA	2/29/2024
51810	BCM	Surapaneni	Prasad Surapaneni, MD	Assistant Professor	Family & Community Medicine	State License	5/31/2023
						DEA	2/29/2024
439474	UTX	Surrell	Yvette Therese Surrell, NP	Nurse Practitioner	Emergency Medicine	State License	4/3/2023
						DEA	2/28/2025
027758	UTX	Wilson	Todd D Wilson, MD	Assistant Professor	Surgery-General Surgery	State License	5/31/2024
						DEA	5/31/2024
040020	UTX	Wray	Curtis Jackson Wray, MD	Assistant Professor	Surgery-General Surgery	State License	8/31/2022
						DEA	5/31/2023
430043	UTX	Young	Mallory Nicole Young, PA	Physician Assistant	Emergency Medicine	State License	2/28/2023
						DEA	5/31/2022

HARRIS HEALTH SYSTEM - MEDICAL STAFF SERVICES
CCM REAPPOINTMENTS ROSTER 4/6/2022
EXP. 5/31/2022

ID	Affil	L Name	Full Name	Faculty Appointment	Assignments	License Type	License Exp Date
435901	BCM	Abbitt	Robert Lee Abbitt, NP	Instructor	Surgery	State License	6/30/2024
						DEA	3/31/2023
435317	BCM	Anderson	Berkley Kingman Anderson, PA	Instructor	OB/GYN Oncology	State License	2/28/2024
						DEA	6/30/2023
043039	BCM	Bezek	Sarah Kathleen Bezek, MD	Assistant Professor	Emergency Medicine	State License	5/31/2022
						DEA	7/31/2022
35194	UTX	Biliciler	Gurur Biliciler-Denktas, MD	Associate Professor	Pediatric Cardiology	State License	11/30/2022
						DEA	7/31/2022
042777	BCM	Buehler	Greg Bennett Buehler, MD	Senior Faculty	Emergency Medicine	State License	8/31/2022
						DEA	7/31/2024
5772	UTX	Bull	Joan Bull, MD	Professor	Int Med-HematologyOncology	State License	2/28/2023
						DEA	7/31/2022
000989	BCM	Carpenter	Robert James Carpenter, Jr., MD	Associate Professor	Obstetrics and Gynecology	State License	5/31/2023
						DEA	8/31/2023
048283	BCM	Deng	Yi Deng, MD	Assistant Professor	Anesthesiology	State License	5/31/2023
						DEA	6/30/2023
025564	BCM	Dietrich	Jennifer Elizabeth Dietrich, MD	Associate Professor	Obstetrics and Gynecology	State License	8/31/2022
						DEA	6/30/2024
023315	BCM	Edwards	Creighton Lewis Edwards, MD	Professor	Obstetrics and Gynecology	State License	8/31/2023
						DEA	8/31/2023
035122	MDA/UTA	Fisch	Michael Jordan Fisch, MD	Clinical Department Chair	Int Med-Medical Oncology	State License	5/31/2023
						DEA	9/30/2022
026179	UTX	Foringer	John Richard Foringer, MD	Associate Professor	Int Med-Nephrology	State License	11/30/2023
						DEA	9/30/2023
432429	BCM	Funk	Mark Stephen Funk, MD	Professor	Obstetrics and Gynecology	State License	2/28/2023
						DEA	9/30/2022
031292	UTX	Gilmore	Clarence Edgar Gilmore, IV, MD	Assistant Professor	Anesthesiology	State License	8/31/2023
						DEA	9/30/2022
432668	UTX	Gutierrez	Carolina Gutierrez, MD	Assistant Professor	Physical Medicine and Rehabilitation	State License	8/31/2023
						DEA	9/30/2022
049000	UTX	Hollier	Royce Anthony Hollier, CRNA	Certified Nurse Anesthetist	Anesthesiology	State License	7/31/2022
						DEA	Not Required
042995	UTX	Idowu	Modupe Idowu, MD	Associate Professor	Int Med-Hematology	State License	8/31/2023
						DEA	11/30/2022
50016	BCM	Jiang	Bryan C. Jiang, MD	Assistant Professor	Internal Medicine	State License	5/31/2023
						DEA	12/31/2024
048106	UTX	Kitkungvan	Danai Kitkungvan, MD	Assistant Professor	Internal Medicine	State License	5/31/2023
						DEA	12/31/2022
030909	BCM	LaCross	Jessica Salmans LaCross, PA	Instructor	Surgery	State License	3/31/2025
						DEA	8/31/2022
031791	BCM	Lee	Susan C. Lee, MD	Assistant Professor	Anesthesiology	State License	11/30/2022
						DEA	3/31/2024
5790	UTX	Lodato	Robert F. Lodato, MD	Associate Professor	Int Med-Pulmonary	State License	5/31/2023
						DEA	3/31/2024
046332	BCM	Montoya	Juan Salvador Montoya, CRNA	Clinical Instructor	Anesthesiology	State License	8/31/2023
						DEA	Not Required
035753	UTX	Navarro	Fernando A Navarro, MD	Assistant Professor	Pediatric Gastroenterology	State License	11/30/2022
						DEA	10/31/2023
035075	BCM	Okeke	Adaeze Christine Okeke, MD	Assistant Professor	Family & Community Medicine	State License	2/28/2023
						DEA	12/31/2024
030966	BCM	Patel	Minal M. Patel, MD	Assistant Professor	Family & Community Medicine	State License	5/31/2022
						DEA	3/31/2024
049009	BCM	Peacock	William Franklin Peacock, MD	Professor	Emergency Medicine	State License	11/30/2022
						DEA	3/31/2023
435814	BCM	Penright	Chamaine Penright, NP	Instructor	Obstetrics and Gynecology	State License	6/30/2022
						DEA	3/31/2024
043032	BCM	Rafique	Zubaid Reza Rafique, MD	Assistant Professor	Emergency Medicine	State License	11/30/2022
						DEA	4/30/2022
439475	UTX	Samant	Rohan Samant, MD	Associate Professor	Radiology	State License	2/28/2023
						DEA	Not Required
051795	UTX	Smith	Toinette Anita Smith, MD	Assistant Professor	Anesthesiology	State License	5/31/2023
						DEA	2/29/2024
435902	BCM	Smolik	Jessica Capri Smolik, NP	Instructor	Surgery	State License	8/31/2022
						DEA	2/29/2024
039384	UTX	Thosani	Nirav Chandrakantbh Thosani, MD	Assistant Professor	Int Med-Gastroenterology	State License	5/31/2022
						DEA	11/30/2024
043043	BCM	Toby	Caroline A. Toby, CNM	Certified Nurse Midwife	Obstetrics and Gynecology	State License	10/31/2023
						DEA	11/30/2022
001149	BCM	Torres	Roberta Wyse Torres, MD	Assistant Professor	Family & Community Medicine	State License	11/30/2022
						DEA	5/31/2022
000956	BCM	Udden	Mark Myers Udden, MD	Professor	Int Med-Hematology	State License	11/30/2022
						DEA	5/31/2022
020219	UTX	Winter	Ronald Stephen Winter, MD	Assistant Professor	Family & Community Medicine	State License	2/28/2023
						DEA	5/31/2023
056151	BCM	Wood	Margaret Shell Wood, MD	Assistant Professor	Pediatrics	State License	5/31/2023
						DEA	5/31/2024

HARRIS HEALTH SYSTEM - MEDICAL STAFF SERVICES
CCM CHANGES IN CLINICAL PRIVILEGES ROSTER 4/6/2022

Affil	L Name	F Name	Degree	Faculty Appointment	Specialty Description	Credentialing Committee Notes
UTX	Kitkungvan	Danai	MD	Assistant Professor	Internal Medicine	Delete: Non-Core Cardiovascular Magnetic Resonance (CMR) privileges
BCM	Okeke	Adaeze	MD	Assistant Professor	Family Practice	Add Telemedicine privileges. Provider is trained on all HHS telehealth approved platforms.
BCM	Patel	Minal	MD	Assistant Professor	Family Practice	Add Telemedicine privileges. Provider is trained on all HHS telehealth approved platforms.
UTX	Samant	Rohan	MD	Associate Professor	Radiology-Neuroradiology	Add: Sedation and Analgesia Privileges. Moderate sedate score is 98%. Case Logs saved in folder, ACLS exp. 2/15/2024
BCM	Peacock	William	MD	Professor	Emergency Medicine	Delete Non-Core Privileges Emergency Ultrasound for Diagnosis of Emergent Condition Privileges Sedation and Analgesia Privileges
UTX	Thosani	Nirav	MD	Assistant Professor	Int Med-Gastroenterology	Delete Non-Core Geratric Medicine Core Privileges
BCM	Alam	Mohbood	MD	Assistant Professor	Int Med-Cardiology	Add Non-Core Special Privilges - Insertion of Impella Mechanical Circulatory Support -Coronary Shockwave Ballon Angioplasty ** Training course certificate onfile, case logs on file

HARRIS HEALTH SYSTEM - MEDICAL STAFF SERVICES
CCM RESIGNATIONS ROSTER 4/6/2022

ID	Affil	L Name	Full Name	Assignments	Term Date	Term Reason
434673	BCM	Dowdell	Katherine Alyse Dowdell, MD	Emergency Medicine	3/2/2022	Resignation
437744	BCM	Elhawi	Yasir Gamil Barsoum Elhawi, MD	Emergency Medicine	3/31/2022	Resignation
438011	BCM	Akamine	Christine Misako Akamine, MD	Internal Medicine-Infectious Disease	3/31/2022	Resignation
441627	BCM	Carter	Jeremy Carter, MD	Emergency Medicine	3/31/2022	Resignation
433067	BCM	Soltani	Sherwin Ario Soltani, MD	Emergency Medicine	3/31/2022	Resignation
035885	BCM	Raghavan	Rajeev Raghavan, MD	Internal Medicine	2/22/2022	Resignation
432664	UTX	Tariq	Sarah Tariq, MD	Anesthesiology	3/1/2022	Resignation

QUALIFICATIONS FOR CORONARY LITHOTRIPSY

Initial Appointment Applicants must meet qualifications listed in 1-3. Reappointment Applicants must meet qualifications listed in 4 only.

1. ***Educational/Training requirements:*** Successful completion of an ACGME- or AOA-accredited post-graduate training program in interventional cardiology.
2. ***Required previous experience:*** Demonstrated current competence and evidence of the performance of at least 2 coronary lithotripsy procedures, either during fellowship within the last 24 months or 2) confirmed by the device manufacturer (Shockwave Medical® or other) within the last 12 months.
3. ***Proctoring requirements:*** Within 120 days following the granting of privileges, 3 additional cases will be reviewed by an interventional cardiologist for satisfactory performance and outcomes; beginning January 1, 2023 this reviewer should have coronary lithotripsy privileges at Harris Health System.
4. ***Reappointment requirements:*** Demonstrated current competence and evidence of the performance of at least 5 cases in the past 24 months.

Applicant Name: _____

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

Instructions
All new applicants must meet the following requirements as approved by the governing body effective ___/___/____.

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

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

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

Other Requirements:

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

QUALIFICATIONS FOR PALLIATIVE CARE

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

Successful completion of an Accreditation Council for Graduate Medical Education (ACGME)–accredited fellowship program in Hospice and Palliative Medicine (HPM). HPM subspecialists are additionally expected to be board-certified within 5 years of appointment. Physicians who obtain HPM board certification through a practice pathway (i.e. 'grandparenting') before 2012 (MD) or 2014 (DO) are ~~will be~~ exempt from the fellowship ~~-~~completion requirements. Applicants must hold core privileges in another Harris Health System specialty and be in good standing.

Required current experience: Inpatient or consultative services, reflective of the scope of privileges requested for at least 10 patients during the past 12 months, or successful completion of an ACGME- or American Osteopathic Association–accredited clinical fellowship in Hospice and Palliative Medicine within the past 12 months.

Applicant Name: _____

Reappointment Requirements: To be eligible to renew privileges in Palliative Care, the applicant must meet the following criteria:

Current demonstrated competence and an adequate volume of experience (5 consultative services) with acceptable results, reflective of the scope of privileges requested, for the past 24 months based on results of ongoing professional practice evaluation and outcomes. Evidence of current physical and mental ability to perform privileges requested is required of all applicants for renewal of privileges.

Competence will be evaluated by a board-certified hospice and palliative medicine physician based on review of 5 patient charts for accuracy of documentation, appropriateness of tests ordered, and patient outcomes during the reappointment period.

Palliative Care Core Privileges

1. Perform history and physical exam
2. Assess and manage physical symptoms (pain, nausea, dyspnea, fatigue, etc.)
3. Assess and manage psychological symptoms (depression, anxiety, grief, etc.)
4. Goals of care determination and support for appropriate decision-making and treatment planning including running family meetings
5. Manage interprofessional collaboration and leading interdisciplinary teams focused on the care of patients with serious illness
6. Navigate complex and/or challenging communication
7. Administer and manage palliative sedation
8. Manage palliative care emergencies (pain crisis, severe dyspnea, agitation at the end-of-life, etc.)
9. Perform pain relieving procedures
10. Manage advanced symptom control techniques (i.e. parenteral infusions)

☐ **Palliative Care Core Privileges Requested**

Acknowledgement of Practitioner

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

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

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

Signed: _____ **Date:** _____

Applicant Name: _____

Department Chair/Chief's Recommendation

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

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

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

I recommend that the above-named applicant be considered for the following category of the medical staff:

Active Staff (may provide clinical care and has admitting privileges AND meets activity requirements*).
Affiliate Staff (may provide clinical care and has admitting privileges; DOES NOT meet activity requirements*).
Consulting Staff (may provide clinical care but may NOT admit patients).
Honorary Staff (may NOT provide clinical care and may NOT admit patients).

*Activity Requirements:
(serves on an inpatient, consulting or procedural service at least one month per year
OR participates in clinical or administrative activities for at least 100 hours per year).

_____ _____
Department Chair/Chief Signature **Date**

BOARD OF TRUSTEES

Meeting of the Board of Trustees

HARRISHEALTH SYSTEM

Thursday, April 28, 2022

Update Regarding Harris Health Correctional Health Quality

Credentials MEC Report

April 2022

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HARRIS HEALTH SYSTEM – CORRECITONAL HEALTH **APRIL 2022** CHANGES/ADDS/DELETES ROSTER • N/A Changes in Clinical Privileges	
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OTHER BUSINESS • **FILE FOR DISCUSSION** • **NA**	

HARRIS HEALTH SYSTEM - MEDICAL STAFF SERVICES
CORRECTIONAL HEALTH MEC
INITIALS ROSTER 3/28/2022

ID	AFFIL	L NAME	FULL NAME	FACULTY APPOINTMENT	ASSIGNMENT	LIC TYPE	LIC EXP	BOARD STATUS
442631	Correc Health	Dania	Bibi Dania, NP	Harris Health System Contracted Nurse Practitioner	Family & Community Medicine	State License	12/31/2023	Certified
						DEA	6/30/2023	
442625	Correc Health	Ihidero	David Ihidero, NP	Harris Health System Contracted Nurse Practitioner	Family & Community Medicine	State License	7/31/2022	Certified
						DEA	11/30/2022	
442634	Correc Health	Jubril	Eronmwon Jubril, NP	Harris Health System Contracted Nurse Practitioner	Family & Community Medicine	State License	11/30/2022	Certified
						DEA	12/31/2023	
442716	Correc Health	Samano	Joachim Angelle Samano, DDS	Harris Health System Contracted Dentist	Community Dentistry	State License	11/30/2022	Not Boarded
						DEA	2/28/2023	
442465	Correc Health	Solce	David Solce, DO	Harris Health System Contracted Physician	Orthopedic Surgery	State License	5/31/2023	Board Certified
						DEA	2/28/2025	
442629	Correc Health	Zhou	Wen Zhou, NP	Harris Health System Contracted Nurse Practitioner	Family & Community Medicine	State License	9/30/2023	Certified
						DEA	5/31/2022	

Thursday, April 28, 2022

Update Regarding Harris Health Correctional Health Quality

Executive Session Board of Trustees: Harris Health Correctional Health Quality Metrics

April 28, 2022

Dr. Otis Egins

Chief Medical Officer, Harris Health System Correctional Health

HARRISHEALTH SYSTEM

Harris Health System Correctional Health: Quality Metrics

- 14 day Health Assessments
- Pharmacy quality reports
- Vaccinations
  - Influenza: offered, administered and declined
  - Pneumonia: offered, administered and declined
  - COVID-19: offered, administered and declined
- Diabetes
  - HgbA1C control
  - Urine micro albumin
  - Blood pressure control
  - Optometry visit documented
  - Degree of Control
  - Medication Compliance
- Hypertension
  - Last three blood pressure measurements
  - Serum Creatinine with GFR
  - Last Chronic Care Clinic visit
  - Degree of Control
  - Medication compliance
- HIV/AIDS
  - Most recent viral load
  - Most recent CD4 count
  - Annual Dental Exam
  - Degree of Control
  - Medication compliance

Thursday, April 28, 2022

Presentation Regarding 2022 Harris Health System Disparity Study

HARRIS HEALTH DISPARITY STUDY

2022

Colette Holt & Associates
16 Carriage Hills, San Antonio, TX 78257
(773) 255-6844
colette.holt@mwbelaw.com
facebook.com/MWBELAW • twitter: @mwbelaw

About the Study Team

Colette Holt & Associates ("CHA") is a national law and consulting firm specializing in issues related to Minority, Women and Disadvantaged Business Enterprise programs, business diversity initiatives, and affirmative action issues. The firm has conducted court-approved disparity studies and designed court-approved programs for over 30 years, including for numerous governments. CHA also provides training, monitoring and investigative services across the country to agencies and businesses. CHA is led by Colette Holt, J.D., the founding principal of Colette Holt & Associates and a nationally recognized attorney and expert. Ms. Holt is also a frequent expert witness, and a media author, on these issues. In addition to Ms. Holt, the firm consists of Steven C. Pitts, Ph. D., who serves as the team's economist and statistician; Ilene Grossman, B.S., Project Administrator; Glenn Sullivan, B.S., Director of Technology; Victoria Farrell, MBA, Director Qualitative Data Collection; and Joanne Lubart, J.D., Associate Counsel.

Acknowledgments

We wish to express special appreciation to DeWight Dopslauf and the staff at Harris Health and Harris County for their assistance in conducting this Study.

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I. Executive Summary

Colette Holt & Associates ("CHA") was retained by Harris Health System ("Harris Health") to perform a disparity study to gather the statistical and anecdotal data necessary to consider whether to adopt a race- and gender-conscious Minority-owned Business Enterprise ("MBE") and Woman-owned Business Enterprise ("WBE," collectively, "M/WBE") program for locally funded contracts. We determined Harris Health's utilization of M/WBEs during fiscal years 2018 through 2019; the availability of these firms as a percentage of all firms in Harris Health's geographic and industry market areas; and any disparities between Harris Health's utilization of M/WBEs and M/WBE availability. We further analyzed disparities in the Houston Metropolitan Area and the wider Texas economy, where contracting affirmative action is rarely practiced, to evaluate whether barriers continue to impede opportunities for minorities and women when remedial intervention is not imposed. We also gathered qualitative data about the experiences of M/WBEs in obtaining Harris Health contracts and associated subcontracts, as well as additional qualitative information from our many Texas studies. Based on these findings, we make the following recommendations for how Harris Health can ensure that all firms have full and fair opportunities to compete for its work.

The methodology for this Study embodies the constitutional principles of *City of Richmond v. J.A. Croson Co.,*[1] Fifth Circuit Court of Appeals case law, and best practices for designing race- and gender-conscious programs. The CHA approach has been specifically upheld by the federal courts. It is also the approach developed by Ms. Holt for the National Academy of Sciences that is now the recommended standard for designing legally defensible disparity studies.

A. Summary of Strict Constitutional Standards Applicable to Harris Health's M/WBE Program

To be effective, enforceable, and legally defensible, a race-based program for public sector contracts must meet the judicial test of constitutional "strict scrutiny". Strict scrutiny is the highest level of judicial review. Harris Health must meet this test to ensure that any race- and gender-conscious program is in legal compliance.

As first adopted in the *Croson* decision, strict scrutiny analysis has two prongs:

1. The government must establish its "compelling interest" in remediating race discrimination by current "strong evidence" of the persistence of discrimination. Such evidence may consist of the entity's "passive participation" in a system of racial exclusion.
2. Any remedies adopted must be "narrowly tailored" to that discrimination; the program must be directed at the types and depth of discrimination identified.

The compelling governmental interest prong has been met through two types of proof:

1. Statistical evidence of the underutilization of M/WBEs by the entity's and/or throughout the entity's geographic and industry market area compared to their availability in the market area.

[1] 488 U.S. 469 (1989).

2. Anecdotal evidence of race- or gender-based barriers to the full and fair participation of M/WBEs in the market area and in seeking contracts with the entity. Anecdotal data can consist of interviews, surveys, public hearings, academic literature, judicial decisions, legislative reports, and other information.

The narrow tailoring prong has been met by satisfying five factors to ensure that the remedy "fits" the evidence:

1. The necessity of relief;
2. The efficacy of race-neutral remedies at overcoming identified discrimination;
3. The flexibility and duration of the relief, including the availability of waiver provisions;
4. The relationship of numerical goals to the relevant market; and
5. The impact of the relief on the rights of third parties.

Most federal courts, including the Fifth Circuit, have subjected preferences for WBEs to "intermediate scrutiny". Gender-based classifications must be supported by an "exceedingly persuasive justification" and be "substantially related to the objective".[2] The quantum of evidence necessary to satisfy intermediate scrutiny is less than that required to satisfy strict scrutiny. However, appellate courts have applied strict scrutiny to the gender-based presumption of social disadvantage in reviewing the constitutionality of the U.S. Department of Transportation's Disadvantaged Business Enterprise program[3] or held that the results would be the same under strict scrutiny.

Proof of the negative effects of economic factors on M/WBEs and the unequal treatment of such firms by actors critical to their success will meet strict scrutiny. Studies have been conducted to gather the statistical and anecdotal evidence necessary to support the use of race- and gender-conscious measures to combat discrimination. These are commonly referred to as "disparity studies" because they analyze any disparities between the opportunities and experiences of minority- and woman-owned firms and their actual utilization compared to White male-owned businesses. Specific evidence of discrimination or its absence may be direct or circumstantial and should include economic factors and opportunities in the private sector affecting the success of M/WBEs. High quality studies also examine the elements of the government's program to determine whether it is sufficiently narrowly tailored.

B. Data Analyses of Harris Health's Contracts

This Study examined contract data for 2018 through 2019 for Harris Health. In order to conduct the analysis, we constructed all the fields necessary for our analysis where they were missing in Harris Health's contract records (*e.g.*, industry type; zip codes; six-digit North American Industry Classification System ("NAICS") codes of prime contractors and subcontractors; M/WBE status). This work resulted in the Final Contract Data File ("FCDF"). Tables 1-1 and 1-2 provide data on the FCDF.

[2] *Cf. United States v. Virginia,* 518 U.S. 515, 532 n.6 (1996).
[3] 49 C.F.R. Part 26.

Table 1-1
Final Contract Data File

Contract Type	Total Contracts	Share of Total Contracts
Prime Contracts[4]	98	27.7%
Subcontracts	256	72.3%
TOTAL	**354**	**100.0%**

Source: CHA analysis of Harris Health data

Table 1-2
Final Contract Data File Net Dollar Value

Business Type	Total Contract Dollars	Share of Total Contract Dollars
Prime Contracts	$57,286,632	74.7%
Subcontracts	$19,406,875	25.3%
TOTAL	**$76,693,507**	**100.0%**

Source: CHA analysis of Harris Health data

1. Utilization of M/WBEs on Harris Health's Contracts

Table 1-3 presents data on the 71 NAICS codes contained in the FCDF. These codes contain a total contract dollar value of $76,693,507. The third column represents the share of all contracts to firms performing work in a particular NAICS code. The fourth column presents the cumulative share of Harris Health's spending from the NAICS code, from the largest share of the NAICS codes to the smallest share.

Table 1-3
Industry Dollars Distribution of Harris Health's Contracts by Percentage

NAICS	NAICS Code Description	Pct Contract Dollars	Cumulative Pct Contract Dollars
236220	Commercial and Institutional Building Construction	41.4%	41.4%
238210	Electrical Contractors and Other Wiring Installation Contractors	11.6%	53.0%
238220	Plumbing, Heating, and Air-Conditioning Contractors	10.0%	63.0%
541110	Offices of Lawyers	4.5%	67.5%
524114	Direct Health and Medical Insurance Carriers	4.4%	72.0%

[4] A prime contract is one where the government directly contracts with a vendor. A subcontract is one where a firm contracts with a prime contractor to provide goods or services in connection with the prime vendor's contract.

NAICS	NAICS Code Description	Pct Contract Dollars	Cumulative Pct Contract Dollars
423450	Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers	2.7%	74.6%
238290	Other Building Equipment Contractors	2.6%	77.3%
561320	Temporary Help Services	2.4%	79.7%
541330	Engineering Services	1.5%	81.2%
541511	Custom Computer Programming Services	1.3%	82.5%
811310	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	1.3%	83.7%
621910	Ambulance Services	1.2%	85.0%
238310	Drywall and Insulation Contractors	1.1%	86.1%
561720	Janitorial Services	1.1%	87.1%
541690	Other Scientific and Technical Consulting Services	1.0%	88.1%
541512	Computer Systems Design Services	1.0%	89.1%
238350	Finish Carpentry Contractors	0.8%	89.9%
238330	Flooring Contractors	0.7%	90.7%
238320	Painting and Wall Covering Contractors	0.7%	91.4%
237310	Highway, Street, and Bridge Construction	0.5%	91.9%
238130	Framing Contractors	0.5%	92.4%
561312	Executive Search Services	0.5%	92.9%
339910	Jewelry and Silverware Manufacturing	0.4%	93.3%
541611	Administrative Management and General Management Consulting Services	0.4%	93.7%
238390	Other Building Finishing Contractors	0.4%	94.1%
221330	Steam and Air-Conditioning Supply	0.3%	94.4%
238910	Site Preparation Contractors	0.3%	94.7%
524298	All Other Insurance Related Activities	0.3%	95.0%
721110	Hotels (except Casino Hotels) and Motels	0.3%	95.4%
541612	Human Resources Consulting Services	0.3%	95.7%
423320	Brick, Stone, and Related Construction Material Merchant Wholesalers	0.3%	96.0%
561730	Landscaping Services	0.3%	96.3%
445299	All Other Specialty Food Stores	0.3%	96.5%
238150	Glass and Glazing Contractors	0.2%	96.8%
561621	Security Systems Services (except Locksmiths)	0.2%	97.0%

NAICS	NAICS Code Description	Pct Contract Dollars	Cumulative Pct Contract Dollars
238990	All Other Specialty Trade Contractors	0.2%	97.2%
424210	Drugs and Druggists' Sundries Merchant Wholesalers	0.2%	97.5%
531210	Offices of Real Estate Agents and Brokers	0.2%	97.7%
237110	Water and Sewer Line and Related Structures Construction	0.2%	97.9%
541430	Graphic Design Services	0.2%	98.1%
541613	Marketing Consulting Services	0.2%	98.2%
541930	Translation and Interpretation Services	0.2%	98.4%
621511	Medical Laboratories	0.2%	98.6%
621512	Diagnostic Imaging Centers	0.2%	98.8%
541820	Public Relations Agencies	0.1%	98.9%
561790	Other Services to Buildings and Dwellings	0.1%	99.0%
541370	Surveying and Mapping (except Geophysical) Services	0.1%	99.1%
423390	Other Construction Material Merchant Wholesalers	0.1%	99.2%
493190	Other Warehousing and Storage	0.1%	99.3%
492110	Couriers and Express Delivery Services	0.1%	99.4%
238120	Structural Steel and Precast Concrete Contractors	0.1%	99.5%
541810	Advertising Agencies	0.1%	99.5%
811212	Computer and Office Machine Repair and Maintenance	0.1%	99.6%
423840	Industrial Supplies Merchant Wholesalers	0.1%	99.7%
423850	Service Establishment Equipment and Supplies Merchant Wholesalers	0.1%	99.7%
238140	Masonry Contractors	0.04%	99.7%
238160	Roofing Contractors	0.04%	99.8%
238110	Poured Concrete Foundation and Structure Contractors	0.03%	99.8%
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers	0.03%	99.9%
525110	Pension Funds	0.03%	99.9%
541420	Industrial Design Services	0.03%	99.9%
423690	Other Electronic Parts and Equipment Merchant Wholesalers	0.03%	99.9%
541380	Testing Laboratories	0.02%	100.0%
238340	Tile and Terrazzo Contractors	0.01%	100.0%
424490	Other Grocery and Related Products Merchant Wholesalers	0.01%	100.0%
423220	Home Furnishing Merchant Wholesalers	0.01%	100.0%

NAICS	NAICS Code Description	Pct Contract Dollars	Cumulative Pct Contract Dollars
518210	Data Processing, Hosting, and Related Services	0.01%	100.0%
442291	Window Treatment Stores	0.004%	100.0%
423440	Other Commercial Equipment Merchant Wholesalers	0.002%	100.0%
512240	Sound Recording Studios	0.002%	100.0%
561410	Document Preparation Services	0.0004%	100.0%
TOTAL		**100.0%**	

Source: CHA analysis of Harris Health data

To determine the geographic market area, we applied the standard of identifying the firm locations that account for at least 75% of contract and subcontract dollar payments in the FCDF.[5] Firm location was determined by zip code and aggregated into counties as the geographic unit. Contracts awarded to firms located in the State of Texas accounted for 90.4% of all dollars during the Study period. The four counties within the Houston metropolitan area – Harris, Galveston, Montgomery, and Fort Bend – captured 96.1% of the state dollars and 86.8% of the entire FCDF. Therefore, these four counties were determined to be the geographic market for Harris Health, and we limited our analysis to firms in these counties.

The next step was to determine the dollar value of Harris Health's utilization of M/WBEs as measured by payments to prime firms and subcontractors and disaggregated by race and gender.[6]

Table 1-4 presents the distribution of contract dollars for fiscal years 2018 through 2019. Details are provided in Chapter III.

Table 1-4
Summary of Distribution of Contract Dollars
by Race and Gender
(share of total dollars)

NAICS	Black	Hispanic	Asian	Native American	MBE	White Women	M/WBE	Non-M/WBE	Total
TOTAL	0.0%	2.3%	0.3%	0.0%	2.6%	5.3%	7.9%	92.1%	100.0%

Source: CHA analysis of Harris Health data

2. Availability of M/WBEs to Perform on Harris Health's Contracts

Using the modified "custom census" approach to estimating availability and the further assignment of race and gender using the FCDF, the Master M/WBE Directory and other sources, we determined the unweighted availability of M/WBEs in Harris Health's market area.

[5] National Academies of Sciences, Engineering, and Medicine 2010, *Guidelines for Conducting a Disparity and Availability Study for the Federal DBE Program*. Washington, DC: The National Academies Press. https://doi.org/10.17226/14346 ("*National Disparity Study Guidelines*"), at p. 29.

[6] For our analysis, the term "M/WBE" includes firms that are certified by government agencies and minority- and woman-owned firms that are not certified.

Table 1-5 presents these results. For further explanation of the role of unweighted and weighted availability and how these are calculated, please see Chapter III and Appendix D.[7]

Table 1-5
Aggregated Unweighted M/WBE Availability

Black	Hispanic	Asian	Native American	MBE	White Women	M/WBE	Non-M/WBE	Total
2.8%	2.1%	1.1%	0.1%	6.1%	4.7%	10.8%	89.2%	100.0%

Source: CHA analysis of Harris Health data

We next determined the aggregated availability of M/WBEs, weighted by Harris Health's spending in its geographic and industry markets. Table 1-6 presents these results. The overall, weighted M/WBE availability result can be used by Harris Health to determine an overall, aspirational goal.

Table 1-6
Aggregated Weighted Availability

Black	Hispanic	Asian	Native American	MBE	White Women	M/WBE	Non-M/WBE	Total
6.8%	4.7%	2.4%	0.3%	14.3%	5.2%	19.5%	80.5%	100.0%

Source: CHA analysis of Harris Health data; Hoovers; CHA Master Directory

3. Disparity Analyses of Harris Health's Contracts

We next calculated disparity ratios for total M/WBE utilization compared to the total weighted availability of M/WBEs, measured in dollars paid.

A *disparity ratio* is the relationship between the utilization and weighted availability, determined above. Mathematically, this is represented by:

$$DR = U/WA$$

Where DR is the disparity ratio; U is utilization rate; and WA is the weighted availability.

The courts have held that disparity results must be analyzed to determine whether the results are "significant". There are two distinct methods to measure a result's significance. First, a "large" or "substantively significant" disparity is commonly defined by the courts as utilization that is equal to or less than 80% of the availability measure. A substantively significant disparity supports the inference that the result may be caused by the disparate impacts of discrimination.[8] Second, a statistically significant disparity means that an outcome is unlikely to have occurred

[7] The USDOT "Tips for Goal Setting" urges recipients to weight their headcount of firms by dollars spent. *See* Tips for Goal-Setting in the Disadvantaged Business Enterprise Program, ttps://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise.

[8] *See* U.S. Equal Employment Opportunity Commission regulation, 29 C.F.R. §1607.4(D) ("A selection rate for any race, sex, or ethnic group which is less than four-fifths (4/5) (or eighty percent) of the rate for the group with the highest rate will generally be regarded by the Federal enforcement agencies as evidence of adverse impact, while a greater than four-fifths rate will generally not be regarded by Federal enforcement agencies as evidence of adverse impact.").

as the result of random chance alone. The greater the statistical significance, the smaller the probability that it resulted from random chance alone.[9] A more in-depth discussion of statistical significance is provided in Chapter III and Appendix C. Table 1-7 presents the calculated disparity ratios for each demographic group. The disparity ratios for Blacks, Hispanics, Asians, Native Americans, MBEs as a group and M/WBEs as a whole are substantively significant. The disparity ratio for M/WBEs is statistically significant at the 0.01 level and for non-M/WBEs at the 0.001 level.

Table 1-7
Disparity Ratios by Demographic Group

	Black	Hispanic	Asian	Native American	MBE	White Woman	M/WBE	Non-M/WBE
Disparity Ratio	0.0%‡	48.5%‡	12.2%‡	0.0%‡	18.2%‡	101.2%	40.4%**‡	114.5%***

Source: CHA analysis of Harris Health data
*** Indicates statistical significance at the 0.001 level
** Indicates statistical significance at the 0.01 level
‡ Indicates substantive significance

Overall, based on the statistical significance of the MBE and M/WBE results and the substantive significance of the Blacks, Hispanics, Asians, Native Americans, MBEs, and M/WBE results, we find the data as a whole support the conclusion that M/WBE firms have not reached parity in all aspects of Harris Health's contracting activities compared to non-M/WBE firms.

C. Analysis of Disparities in the Houston Area Economy

Evidence of the experiences of minority- and woman-owned firms outside of the M/WBE programs is relevant and probative of the likely results of Harris Health failing to implement a race- and gender-conscious program, because contracting diversity programs are rarely imposed outside of specific government agencies. To examine the outcomes throughout the Houston area economy, we explored two Census Bureau datasets and the government and academic literature relevant to how discrimination in the Houston market and throughout the wider economy affects the ability of minorities and women to fairly and fully engage in Harris Health's prime contract and subcontract opportunities.

We analyzed the following data and literature:

- The U.S. Bureau of the Census' American Community Survey for the Houston-The Woodlands-Sugarland Metropolitan Statistical Area from 2015 through 2019[10]. This rich data set establishes with greater certainty any causal links between race, gender and economic outcomes. We employed a multiple regression statistical technique to examine the rates at which minorities and women form firms. In general, we found that even after considering potential mitigating factors, non-Whites and White women form businesses less than White men and their wage and business earnings are less than

[9] A chi-square test – examining if the utilization rate was different from the weighted availability – was used to determine the statistical significance of the disparity ratio.
[10] This is the formal name for the nine-county MSA. The counties include: Austin; Brazoria; Chambers; Fort Bend; Galveston; Harris; Liberty; Montgomery; and Waller.

those of White men. These analyses support the conclusion that barriers to business success do affect non-Whites and White women.

- Industry Data from the Census Bureau's 2017 Annual Business Survey from 2017. This dataset indicated large disparities between M/WBE firms and non-M/WBE firms when examining the sales of all firms, the sales of employer firms (firms that employ at least one worker), and the payroll of employer firms.
- Surveys and literature on barriers to access to commercial credit and the development of human capital further reports that minorities continue to face constraints on their entrepreneurial success based on race. These constraints negatively impact the ability of firms to form, to grow, and to succeed. These results support the conclusions drawn from the anecdotal interviews and analysis of Harris Health's contract data that M/WBEs face obstacles to achieving success on contracts outside of M/WBE programs.

All three types of evidence have been found by the courts to be relevant and probative of whether a government will be a passive participant in overall marketplace discrimination without some type of affirmative intervention. This evidence supports the conclusion that Harris Health should continue to use race-conscious contract goals to ensure a level playing field for all firms.

D. Qualitative Evidence of Race and Gender Barriers in Harris Health's Market

In addition to quantitative data, anecdotal evidence of firms' marketplace experiences is relevant to evaluating whether the effects of current or past discrimination continue to impede opportunities for M/WBEs such that race-conscious contract goals are needed to ensure equal opportunities to compete for Harris Health's prime contracts. To explore this type of anecdotal evidence, we received input from 11 participants in small group business owner interviews.

The following are brief summaries of the most common views expressed by participants.

- Several minority or female owners reported they face biased and negative assumptions about their qualifications and capabilities.
- Obtaining information about solicitations was reported by some interviewees to be difficult.
- More outreach and access to information and decision makers were recommendations to increase opportunities for M/WBEs.
- Some M/WBEs felt that assertions about the importance of inclusion were not followed by concrete actions.

Additional anecdotal information presented in Chapter V from the recent disparity studies conducted by Colette Holt & Associates for various Texas governments further illustrates the difficulties faced by M/WBEs in obtaining public and private sector contracts. Although not dispositive, these reports corroborate the statistical findings regarding barriers faced by minorities and women in the Houston area and the overall Texas marketplace.

E. Recommendations for Ensuring Equity in Harris Health's Contracting Activities

The quantitative and qualitative evidence reported in this Study present a thorough examination of whether minorities and women doing business in Harris Health's market have full and fair opportunities to compete for its prime contracts and associated subcontracts. The findings support the conclusion that M/WBEs continue to suffer discriminatory barriers and that Harris

Health has a strong basis in evidence upon which to implement a race- and gender-conscious contracting program.

As a general matter, Harris Health should model its program on the recently adopted program for Harris County. This new County Program contains all the elements necessary to meet strict constitutional scrutiny and embodies best practices for narrowly tailored M/WBE programs, including eligibility standards; contract specific goal setting procedures; flexible standards for review of bids and proposals; counting rules for contract goal credit; contract performance monitoring standards and processes; prompt payment enforcement mechanisms; contract close out procedures; sanctions policies; vendor outreach; and an electronic contracting monitoring system.

Given the need for extensive resources to administer a legally compliant and well-run program, we urge Harris Health to enter into an Interlocal Agreement ("ILA") with Harris County for the administration of several elements of Harris Health's new program. Efficiencies that can be obtained using this approach are noted in our recommendations.

Based on the results of this Study, federal case law and national best practices for M/WBE programs, we recommend the following elements of a narrowly tailored M/WBE program.

1. Implement Race- and Gender-Neutral Measures

The courts require that governments use race- and gender-neutral approaches to the maximum feasible extent to address identified discrimination. This is a critical element of narrowly tailoring a program, so that the burden on non-M/WBEs is no more than necessary to achieve the government's remedial purposes. Increased participation by M/WBEs through race-neutral measures will also reduce the need to set M/WBE contract goals. We therefore suggest the following enhancements, based on the business owner interviews, input of Harris Health staff, and national best practices for business development programs.

a. Implement an Electronic Contracting Data Collection, Monitoring and Notification System

One challenge in the Study was data collection of subcontractor records. Implementation of a good electronic contracting data collection, monitoring and notification system is the foundation for a good program and the most critical first step that Harris Health should take to implement a Program. A centralized system must include the following functionality:

- Full contract information for all firms.
- Contract/project-specific goal setting (using data from this Study).
- Utilization plan capture for prime contractor and subcontractor utilization plans.
- Contract compliance for certified and non-certified prime contract and subcontract payments for all formally procured contracts for all tiers of all subcontractors.
- Program report generation that provides data on utilization by industries, race, gender, dollar amount, procurement method, etc.
- An integrated email notification and reminder engine to inform contractors of required actions, including reporting mandates and dates.
- Outreach tools for eBlasts and related communications, and event management.
- Access by authorized Harris Health staff, prime contractors and subcontractors to perform all necessary activities.

This is one element that can be outsourced to Harris County.

b. Create a Senior Leadership Position to Oversee Business Diversity

Harris Health should create a new senior leadership position to oversee all efforts towards contracting diversity and inclusion. This new position should report directly to a member of the Harris Health System Executive Leadership team. This reporting structure will signal the importance of this function and provide it with the bureaucratic stature necessary to move new initiatives forward. This position should work very closely with Harris Health System Chief DE&I and all departments with contract related functions as well as Harris County Purchasing assigned to Harris Health. This position should also directly coordinate and interface with the Harris County Department of Economic Equity and Opportunity.

c. Increase Vendor Outreach and Communication to M/WBEs and Small Firms

Harris Health should conduct vendor outreach and "matchmaking" events for its larger or highly specialized projects. Targeted email blasts about upcoming opportunities would also be helpful. Harris Health's contracting opportunities should also be included in events and activities conducted by Harris County, under the ILA.

We further suggest publishing an annual contracting forecast of larger contracts that will assist vendors to plan their work and form teams. This is especially helpful for small firms with limited marketing resources. Providing information about upcoming bid opportunities is one race- and gender-neutral measure that will assist all firms to access information.

Another enhancement requested in the business owner interviews is training in how to do business with Harris Health. In addition to developing written materials for its website, Harris Health should hold sessions and create training videos that provide information on all aspects of its contracting program.

d. Consider Partnering with Other Agencies and Local Organizations to Provide Bonding, Financing and Technical Assistance Programs

Both M/WBEs and non-M/WBEs supported services to assist M/WBEs to increase their skills and capabilities. Bonding and financing programs assist small firms by providing loans and issuing surety bonds to certified contractors, with low interest rates. The programs may also provide general banking services on favorable terms to applicant firms.

An important difference between the County's program and a program for Harris Health is that health systems contract with Group Purchasing Organizations ("GPOs"). Harris Health does not directly contract and manage purchases through its GPO, and therefore cannot set contract goals or insist that firms be certified as M/WBEs by the agencies it recognizes. However, GPOs have in recent years recognized the value of supplier diversity and are taking steps to be more inclusive in their contracting activities.

Given this structure, Harris Health should provide technical assistance to M/WBEs that seek to do business with GPOs. Sessions or training videos that explain the GPO structure, how to contact its buyers and approaches to successful bid submissions would be useful for firms seeking more opportunities with health care organizations.

2. Implement Race- and Gender-Conscious Measures

The quantitative and anecdotal Study results overwhelming present the "strong basis in evidence" that the courts require to support race- and gender-conscious relief. Without targeted efforts to reduce discriminatory barriers, minorities and women will likely continue to face

diminished opportunities because of the race or gender of the firm's owner(s). We therefore recommend the adoption of a new Program with the following major elements.

a. Adopt an Overall, Aspirational Goal for a New M/WBE Program

Harris Health should set an annual, overall target for M/WBE utilization on its non-GPO contracts (prime contracts and subcontracts combined). The availability estimates in Chapter III should be the basis for consideration of the overall, annual spending target for Harris Health funds. We found the weighted availability of M/WBEs to be 19.5%, which would support an overall goal of 20% for spending with certified firms across all industry categories.

b. Use the Study as the Starting Point in Setting Narrowly Tailored Contract Goals

In addition to setting an overall, annual target, Harris Health should use the Study's detailed unweighted availability estimates as the starting point for contract specific goals. As discussed in Chapter II of the Study, Harris Health's constitutional responsibility is to ensure that a goal is narrowly tailored to the specifics of the project. The detailed availability estimates in the Study can serve as the starting point for contract goal setting. A high-quality contracting data collection, monitoring and notification system will include a goal setting module that Harris Health should use as its data source.

Contract goal setting could be a function conducted by Harris County.

c. Adopt Narrowly Tailored Program Eligibility Standards

Program eligibility should be limited to firms that have a business presence in the Houston market area, as established by this Study, or that can demonstrate that they have done business within that market area.

Harris Health's new program should accept M/W/DBE certifications from the Texas Unified Certification Program, the State of Texas' HUB program, and the City of Houston. These are the certifications accepted by Harris County. However, it will be Harris Health's constitutional responsibility, to ensure that the certifications it accepts are from narrowly tailored programs with demonstrated integrity.

d. Implement Rigorous Compliance and Monitoring Policies and Procedures

To ensure that the new M/WBE program sets narrowly tailored goals and eligibility requirements, Harris Health should adopt contract award and performance standards for program compliance and monitoring that are likewise narrowly tailored and embody best practices. Elements should include the following:

- Clearly delineated policies and forms by which a bidder or proposer can establish that it has either met the contract goal(s) or made good faith efforts to do so.
- Rules for how participation by certified firms will be counted towards the goal(s). For example, a firm must perform a "commercially useful function" in order to be counted for goal attainment. The manner in which various types of goods or services will be credited towards meeting goals must be clearly spelled out. Further, certified prime vendors should be permitted to count their self-performance towards meeting the contract goal.
- Contract monitoring policies, procedures and data collection processes. This must include tracking the utilization of certified and non-certified subcontractors at all tiers of

performance and monitoring prompt payment obligations of prime contractors to subcontractors. Harris Health staff must perform site visits to meet these requirements.
- Criteria and processes for how non-performing, certified firms can be substituted during performance.
- Contract closeout procedures and standards for sanctions for firms that fail to meet their contractual requirements under the Program.
- A process to appeal adverse determinations under the Program that meets due process standards.

Contract compliance and monitoring are functions that could be outsourced through the ILA.

e. Provide Training for Harris Health Staff with Contracting Responsibilities or Vendor Interface

These significant changes will require an entity-wide roll out of the new program, as well as training of all personnel with contracting and vendor management responsibilities. In addition to providing technical information on compliance, it is an opportunity to reaffirm Harris Health's commitment to business diversity and encourage all departments to buy into these values and objectives.

f. Provide Training for Vendors on the New Program

It will be important for Harris Health to provide some formal training on these proposed new program elements to vendors and Harris Health staff. This could consist of web-based seminars that would answer questions such as who is eligible; how to meet goals or establish good faith efforts to do so; how to use the compliance monitoring system; prompt payment obligations; subcontractor substitution; and contract close out. Information should further cover resources to assist small businesses, such as loan programs, accessing local Procurement Technical Assistance Centers, and other support.

3. Develop Performance Standards

Harris Health should develop quantitative performance measures for overall success of its race- and gender-neutral measures and any M/WBE program to evaluate the effectiveness of various approaches in reducing the systemic barriers identified by the Study. In addition to meeting goals, possible benchmarks might be:

- Progress towards meeting the overall, annual M/WBE goal.
- The number of bids or proposals, industry and the dollar amount of the awards and the goal shortfall, where the bidder was unable to meet the goals and submitted good faith efforts to do so.
- The number, dollar amount and the industry code of bids or proposals rejected as non-responsive for failure to make good faith efforts to meet the goal.
- The number, industry and dollar amount of M/WBE substitutions during contract performance.
- Increased bidding by certified firms as prime vendors.
- Increased prime contract awards to certified firms.
- Increased "capacity" of certified firms, as measured by bonding limits, size of jobs, profitability, complexity of work, etc.
- Increased variety in the industries in which M/WBEs are awarded prime contracts and subcontracts.

4. Establish a Program Sunset Date

Harris Health should adopt a sunset date for the M/WBE program unless reauthorized. This is a constitutional requirement to meet the narrow tailoring test that race- and gender-conscious measures be used only when necessary. A new disparity study should be commissioned in time to meet the sunset date, approximately every five to six years.

II. Legal Standards for Local Government Contracting Equity Programs

A. Summary of Constitutional Equal Protection Standards

To be effective, enforceable, and legally defensible, a race-based affirmative action program that is designed to promote equity in public sector contracting, such as one that might be adopted by Harris Health System ("Harris Health"), must meet the judicial test of constitutional "strict scrutiny".[11] Strict scrutiny constitutes the highest level of judicial review.[12] Strict scrutiny analysis is comprised of two prongs:

3. The government must establish its "compelling interest" in remediating race discrimination by current "strong evidence" of the persistence of discrimination. Such evidence may consist of the entity's "passive participation" in a system of racial exclusion.
4. Any remedies adopted must be "narrowly tailored" to that discrimination; the program must be directed at the types and depth of discrimination identified.[13]

The compelling governmental interest prong has been met through two types of proof:

1. Quantitative or statistical evidence of the underutilization of minority- or woman-owned firms by the agency and/or throughout the agency's geographic and industry market area compared to their availability in the market area.
2. Qualitative or anecdotal evidence of race- or gender-based barriers to the full and fair participation of minority- and woman-owned firms in the market area or in seeking contracts with the agency.[14] Anecdotal data can consist of interviews, surveys, public hearings, academic literature, judicial decisions, legislative reports, and other information.

The narrow tailoring prong has been met by satisfying the following five factors. These elements ensure that the remedy "fits" the evidence:

1. The necessity of relief;[15]
2. The efficacy of race-neutral remedies at overcoming identified discrimination;[16]
3. The flexibility and duration of the relief, including the availability of waiver provisions;[17]
4. The relationship of numerical goals to the relevant labor market;[18] and
5. The impact of the relief on the rights of third parties.[19]

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[11] *City of Richmond v. J.A. Croson Co.,* 488 U.S. 469 (1989).
[12] Strict scrutiny is used by courts to evaluate governmental action that classifies persons on a "suspect" basis, such as race. It is also used in actions purported to infringe upon fundamental rights. Legal scholars frequently note that strict scrutiny constitutes the most rigorous form of judicial review. *See, for example,* Richard H. Fallon, Jr., *Strict Judicial Scrutiny,* 54 UCLA Law Review 1267, 1273 (2007).
[13] *Croson*, 488 U.S. at 510.
[14] *Id.* at 509.
[15] *Id*. at 507.
[16] *United States v. Paradise,* 480 U.S. 149, 171 (1987).
[17] *Id.*
[18] *Id.*
[19] *Croson*, 488 U.S. at 506.

In *Adarand v. Peña,*[20] the United States Supreme Court extended the analysis of strict scrutiny, the most exacting standard of review, to race-based federal enactments such as the United States Department of Transportation ("USDOT") Disadvantaged Business Enterprise ("DBE") program for federally assisted transportation contracts. Similar to the local government context, the national legislature must have a compelling governmental interest for the use of race, and the remedies adopted must be narrowly tailored to that evidence.[21,22]

Most federal courts, including the Fifth Circuit,[23] have subjected preferences for Woman-Owned Business Enterprises ("WBEs") to "intermediate scrutiny".[24] Gender-based classifications must be supported by an "exceedingly persuasive justification" and be "substantially related to the objective".[25] The quantum of evidence necessary to satisfy intermediate scrutiny is less than that required to satisfy strict scrutiny. However, appellate courts have applied strict scrutiny to the gender-based presumption of social disadvantage in reviewing the constitutionality of the DBE program[26] or have held that the results would be the same under strict scrutiny.[27]

Classifications not based upon a suspect class (race, ethnicity, religion, national origin or gender) are subject to the lesser standard of review referred to as "rational basis" scrutiny.[28,29] The courts have held there are no equal protection implications under the Fourteenth Amendment of the United States Constitution for groups not subject to systemic discrimination.[30] In contrast to strict scrutiny and to intermediate scrutiny, rational basis means the governmental action or statutory classification must be "rationally related" to a "legitimate" government interest.[31] Thus, preferences for persons with disabilities or veteran status may be enacted with

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[20] *Adarand Constructors, Inc. v. Peña*, 515 U.S. 200 (1995) ("*Adarand III*").

[21] *See, for example, Croson*, 488 U.S. at 492-493; *Adarand III*, 515 U.S. at 227; *see generally Fisher v. University of Texas*, 133 S. Ct. 2411 (2013).

[22] Programs that fail to satisfy the constitutional strict scrutiny standard generally fail to meet the compelling government interest requirement, the narrow tailoring requirement, or both. Affirmative action programs are among the most heavily litigated issues involving race and the United States Constitution. Nonetheless, many of these programs meet both prongs, particularly those based upon solid statistical and anecdotal data. *See*, Mary J. Reyburn, *Strict Scrutiny Across the Board: The Effect of Adarand Constructors, Inc. v. Pena on Race-Based Affirmative Action Programs,* 45 Catholic University L. Rev. 1405, 1452 (1996).

[23] *W.H. Scott Construction Co., Inc., v. City of Jackson, Mississippi*, 199 F.3d 206, 215 n.9 (5th Cir. 1999).

[24] *See, e.g., Associated Utility Contractors of Maryland, Inc. v. Mayor and City Council of Baltimore and Maryland Minority Contractors Ass'n,* 83 F. Supp. 2d 613, 620 (D. Md. 2000); W.H. *Scott Construction,* 199 F.3d at 206, 215; *Engineering Contractors Ass'n of South Florida, Inc. v. Metropolitan Dade County*, 122 F.3d 895, 907-911 (11th Cir. 1997) ("*Engineering Contractors II*"); *Concrete Works of Colorado, Inc. v. City and County of Denver*, 36 F.3d 1513, 1519 (10th Cir. 1994) ("*Concrete Works II*"); *Contractors Ass'n of Eastern Pennsylvania v. City of Philadelphia*, 6 F.3d 990, 1009-1011 (3rd Cir. 1993) ("*Philadelphia II*"); *Coral Construction Co. v. King County*, 941 F.2d 910, 930-931 (9th Cir. 1991).

[25] *Cf. United States v. Virginia,* 518 U.S. 515, 532 n.6 (1996).

[26] *Northern Contracting, Inc. v. Illinois Department of Transportation*, 473 F.3d 715, 720 (7th Cir. 2007), ("*Northern Contracting III*").

[27] *Western States Paving Co., Inc. v. Washington Department of Transportation*, 407 F.3d 983 (9th Cir. 2005), *cert. denied*, 546 U.S. 1170 (2006).

[28] *Coral Construction,* 941 F. 2d at 921; *see generally Equality Foundation v. City of Cincinnati,* 128 F. 3d 289 (6th Cir. 1997).

[29] The Supreme Court first introduced this level of scrutiny in *Nebbia v. New York*, 291 U.S. 502, 537 (1934). The Court held that if laws passed have a reasonable relationship to a proper legislative purpose and are neither arbitrary nor discriminatory, the requirements of due process are satisfied.

[30] *See generally United States v. Carolene Products Co*., 304 U.S. 144 (1938).

[31] *Heller v. Doe*, 509 U.S. 312, 320 (1993).

vastly less evidence than that required for race- or gender-based measures to combat historic discrimination.[32]

Unlike most legal challenges, the defendant bears the initial burden of producing "strong evidence" in support of its race-conscious program.[33] As held by the Fifth Circuit,[34] the plaintiff must then proffer evidence to rebut the government's case, and bears the ultimate burden of production and persuasion that the affirmative action program is unconstitutional.[35] "[W]hen the proponent of an affirmative action plan produces sufficient evidence to support an inference of discrimination, the plaintiff must rebut that inference in order to prevail."[36]

A plaintiff "cannot meet its burden of proof through conjecture and unsupported criticism of [the government's] evidence."[37] To successfully rebut the government's evidence, a plaintiff must introduce "credible, particularized evidence" that rebuts the government's showing of a strong basis in evidence.[38] For example, in the challenge to the Minnesota and Nebraska DBE programs, "plaintiffs presented evidence that the data was susceptible to multiple interpretations, but they failed to present affirmative evidence that no remedial action was necessary because minority-owned small businesses enjoy non-discriminatory access to, and participation in, federally assisted highway contracts. Therefore, they failed to meet their ultimate burden to prove that the DBE program is unconstitutional on this ground."[39] When the statistical information is sufficient to support the inference of discrimination, the plaintiff must prove that the statistics are flawed.[40] A plaintiff cannot rest upon general criticisms of studies or other related evidence; it must meet its burden that the government's proof is inadequate to meet strict scrutiny, rendering the legislation or government program illegal.[41]

To meet strict scrutiny, studies such as those listed in the recent U.S. Department of Justice Report[42] as well as this Report, have been conducted to gather the statistical and anecdotal evidence necessary to support the use of race- and gender-conscious measures to combat discrimination. These are commonly referred to as "disparity studies" because they analyze any

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[32] The standard applicable to status based on sexual orientation or gender identity has not yet been clarified by the courts.

[33] *Aiken v. City of Memphis*, 37 F.3d 1155, 1162 (6th Cir. 1994).

[34] *W.H. Scott Construction Co., Inc. v. City of Jackson, Mississippi,* 199 F.3d 206, 215 n.9 (5th Cir. 1999).

[35] *See, e.g., Associated Utility Contractors of Maryland, Inc. v. Mayor and City Council of Baltimore and Maryland Minority Contractors Ass'n,* 83 F. Supp. 2d 613, 620 (D. Md. 2000); *W.H. Scott Construction,* 199 F.3d at 206, 215; *Engineering Contractors Ass'n of South Florida, Inc. v. Metropolitan Dade County,* 122 F. 3d 895, 907-911 (11th Cir. 1997) ("*Engineering Contractors II"); Concrete Works of Colorado, Inc. v. City and County of Denver,* 36 F.3d 1513, 1519 (10th Cir. 1994) (*"Concrete Works II"*); *Contractors Ass'n of Eastern Pennsylvania v. City of Philadelphia,* 6 F. 3d 990, 1009-1011 (3rd Cir. 1993) ("*Philadelphia II"*); *Coral Construction Co. v. King County,* 941 F. 2d 910, 930-931 (9th Cir. 1991).

[36] *Engineering Contractors II,* 122 F.3d at 916.

[37] *Concrete Works of Colorado, Inc. v. City and County of Denver*, 321 F.3d 950, 989 (10th Cir. 2003), *cert. denied*, 540 U.S. 1027 (10th Cir. 2003) ("Concrete Works *IV*").

[38] *H.B. Rowe Co., Inc. v. W. Lyndo Tippett, North Carolina DOT, et al.,* 615 F.3d 233, 241-242(4th Cir. 2010); *Midwest Fence Corp. v. U.S. Department of Transportation, Illinois Department of Transportation, Illinois State Toll Highway Authority,* 84 F. Supp. 3d 705 (N.D. Ill. 2015) ("*Midwest Fence I"*), *aff'd* 840 F.3d 932 (7th Cir. 2016) ("*Midwest Fence II*").

[39] *Sherbrooke Turf, Inc. v. Minnesota Department of Transportation*, 345 F.3d. 964, 970 (8th Cir. 2003), *cert. denied*, 541 U.S. 1041 (2004).

[40] *Coral Construction*, 941 F. 2d at 921; *Engineering Contractors II*, 122 F.3d at 916.

[41] *Adarand VII*, 228 F.3d at 1166; *Engineering Contractors II*, 122 F.3d at 916; *Concrete Works II,* 36 F.3d at 1513, 1522-1523 ; *Webster v. Fulton County, Georgia*, 51 F.Supp.2d 1354, 1364 (N.D. Ga. 1999*), aff'd per curiam*, 218 F. 3d 1267 (11th Cir. 2000*); see also Wygant v. Jackson Board of Education*, 476 U.S. 267, 277-278 (1986).

[42] The report released on January 20, 2022, is available at: *https://www.justice.gov/crt/page/file/1463921/download*.

disparities between the opportunities and experiences of minority- and woman-owned firms and their actual utilization compared to White male-owned businesses. More rigorous studies also examine the elements of the government's program to determine whether it is sufficiently narrowly tailored. The following is a detailed discussion of the legal parameters and the requirements for conducting studies to support legally defensible programs.

B. Elements of Strict Constitutional Scrutiny

In its decision in *City of Richmond v. J.A. Croson Co.,* the United States Supreme Court established the constitutional contours of permissible race-based public contracting programs. Reversing long established Equal Protection jurisprudence,[43] the Court, for the first time, extended the highest level of judicial examination from measures designed to limit the rights and opportunities of minorities to legislation that inures to the benefit of these victims of historic, invidious discrimination. Strict scrutiny requires that a government entity prove both its "compelling governmental interest" in remediating identified discrimination based upon "strong evidence"[44] and that the measures adopted to remedy that discrimination are "narrowly tailored" to that evidence. However benign the government's motive, race is always so suspect a classification that its use must pass the highest constitutional test of "strict scrutiny".

The Court struck down the City of Richmond's Minority Business Enterprise Plan ("Plan") because it failed to satisfy the strict scrutiny analysis applied to "race-based" government programs. The City's "setaside" Plan required prime contractors awarded City construction contracts to subcontract at least 30% of the dollar amount of contracts to one or more Minority-Owned Business Enterprises ("MBEs").[45] A business located anywhere in the nation was eligible to participate so long as it was at least 51% owned and controlled by minority citizens or lawfully-admitted permanent residents.

The Plan was adopted following a public hearing during which no direct evidence was presented that the City had discriminated on the basis of race in contracts or that its prime contractors had discriminated against minority subcontractors. The only evidence before the City Council was: (a) Richmond's population was 50% Black, yet less than one percent of its prime construction contracts had been awarded to minority businesses; (b) local contractors' associations were virtually all White; (c) the City Attorney's opinion that the Plan was constitutional; and (d) generalized statements describing widespread racial discrimination in the local, Virginia, and national construction industries.

In affirming the court of appeals' determination that the Plan was unconstitutional, Justice Sandra Day O'Connor's plurality opinion rejected the extreme positions that local governments either have *carte blanche* to enact race-based legislation or must prove their own active participation in discrimination:

> [A] state or local subdivision…has the authority to eradicate the effects of private discrimination within its own legislative jurisdiction…. [Richmond] can use its spending powers to remedy private discrimination, if it identifies that discrimination with the particularity required by the Fourteenth Amendment…[I]f the City could

[43] U.S. Const. Amend. XIV, §1.
[44] There is no precise mathematical formula to assess what rises to the level of "strong evidence".
[45] The City described its Plan as remedial. It was enacted to promote greater participation by minority business enterprises in public construction projects.

> show that it had essentially become a "passive participant" in a system of racial exclusion …[it] could take affirmative steps to dismantle such a system.[46]

Strict scrutiny of race-based remedies is required to determine whether racial classifications are in fact motivated by notions of racial inferiority or blatant racial politics. This highest level of judicial review "smokes out" illegitimate uses of race by ensuring that the legislative body is pursuing an important enough goal to warrant use of a highly suspect tool.[47] It also ensures that the means chosen "fit" this compelling goal so closely that there is little or no likelihood that the motive for the classification was illegitimate racial prejudice or stereotype. The Court made clear that strict scrutiny is designed to expose racial stigma; racial classifications are said to create racial hostility if they are based on notions of racial inferiority.

Richmond's evidence was found to be lacking in every respect.[48] The City could not rely upon the disparity between its utilization of MBE prime contractors and Richmond's minority population because not all minority persons would be qualified to perform construction projects; general population representation is irrelevant. No data were presented about the availability of MBEs in either the relevant market area or their utilization as subcontractors on City projects.

According to Justice O'Connor, the extremely low MBE membership in local contractors' associations could be explained by "societal" discrimination or perhaps Blacks' lack of interest in participating as business owners in the construction industry. To be relevant, the City would have to demonstrate statistical disparities between eligible MBEs and actual membership in trade or professional groups. Further, Richmond presented no evidence concerning enforcement of its own anti-discrimination ordinance. Finally, the City could not rely upon Congress' determination that there has been nationwide discrimination in the construction industry. Congress recognized that the scope of the problem varies from market to market, and, in any event, it was exercising its powers under Section Five of the Fourteenth Amendment. Local governments are further constrained by the Amendment's Equal Protection Clause.

> In the case at hand, the City has not ascertained how many minority enterprises are present in the local construction market nor the level of their participation in City construction projects. The City points to no evidence that qualified minority contractors have been passed over for City contracts or subcontracts, either as a group or in any individual case. Under such circumstances, it is simply impossible to say that the City has demonstrated "a strong basis in evidence for its conclusion that remedial action was necessary."[49]

This analysis was applied only to Blacks. The Court emphasized that there was "absolutely no evidence" of discrimination against other minorities. "The random inclusion of racial groups that, as a practical matter, may have never suffered from discrimination in the construction industry in

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[46] 488 U.S. at 491-92.

[47] *See also Grutter v. Bollinger*, 539 U.S. 306, 327 (2003) ("Not every decision influenced by race is equally objectionable, and strict scrutiny is designed to provide a framework for carefully examining the importance and the sincerity of the reasons advanced by the governmental decisionmaker for the use of race in that particular context.").

[48] The City cited past discrimination and its desire to increase minority business participation in construction projects as the factors giving rise to the Plan.

[49] *Croson*, 488 U.S. at 510.

Richmond, suggests that perhaps the City's purpose was not in fact to remedy past discrimination."[50]

Having found that Richmond had not presented evidence in support of its compelling interest in remediating discrimination—the first prong of strict scrutiny—the Court made two observations about the narrowness of the remedy–the second prong of strict scrutiny. First, Richmond had not considered race-neutral means to increase MBE participation. Second, the 30% quota had no basis in evidence, and was applied regardless of whether the individual MBE had suffered discrimination.[51] The Court noted that the City "does not even know how many MBEs in the relevant market are qualified to undertake prime or subcontracting work in public construction projects."[52]

Recognizing that her opinion might be misconstrued to eliminate all race-conscious contracting efforts, Justice O'Connor closed with these admonitions:

> Nothing we say today precludes a state or local entity from taking action to rectify the effects of identified discrimination within its jurisdiction. If the City of Richmond had evidence before it that non-minority contractors were systematically excluding minority businesses from subcontracting opportunities, it could take action to end the discriminatory exclusion. Where there is a significant statistical disparity between the number of qualified minority contractors willing and able to perform a particular service and the number of such contractors actually engaged by the locality or the locality's prime contractors, an inference of discriminatory exclusion could arise. Under such circumstances, the City could act to dismantle the closed business system by taking appropriate measures against those who discriminate based on race or other illegitimate criteria. In the extreme case, some form of narrowly tailored racial preference might be necessary to break down patterns of deliberate exclusion…. Moreover, evidence of a pattern of individual discriminatory acts can, if supported by appropriate statistical proof, lend support to a local government's determination that broader remedial relief is justified.[53]

While much has been written about *Croson*, it is worth stressing what evidence was, and was not, before the Court. First, Richmond presented *no* evidence regarding the availability of MBEs to perform as prime contractors or subcontractors and *no* evidence of the utilization of minority-owned subcontractors on City contracts.[54] Nor did Richmond attempt to link the remedy it imposed to any evidence specific to the program; it used the general population of the City rather than any measure of business availability.

Some commentators have taken this dearth of any particularized proof and argued that only the most particularized proof can suffice in all cases. They leap from the Court's rejection of Richmond's reliance on only the percentage of Blacks in the City's population to a requirement that only firms that bid or have the "capacity" or "willingness" to bid on a particular contract at a

[50] *Id*.
[51] *See Grutter*, 529 U.S. at 336-337 (quotas are not permitted; race must be used in a flexible, non-mechanical way).
[52] *Croson,* 488 U.S. at 502.
[53] *Id*. at 509 (citations omitted).
[54] *Id*. at 502.

particular time can be considered in determining whether discrimination against Black businesses infects the local economy.[55]

This argument has been rejected explicitly by some courts. In denying the plaintiff's summary judgment motion to enjoin the City of New York's Minority- and Woman-Owned Business Enterprise ("M/WBE") construction ordinance, the court stated:

> [I]t is important to remember what the *Croson* plurality opinion did and did not decide. The Richmond program, which the *Croson* Court struck down, was insufficient because it was based on a comparison of the minority population in its entirety in Richmond, Virginia (50%) with the number of contracts awarded to minority businesses (0.67%). There were no statistics presented regarding the number of minority-owned contractors in the Richmond area, *Croson,* 488 U.S. at 499, and the Supreme Court was concerned with the gross generality of the statistics used in justifying the Richmond program. There is no indication that the statistical analysis performed by [the consultant] in the present case, which does contain statistics regarding minority contractors in New York City, is not sufficient as a matter of law under *Croson.*[56]

Further, Richmond made no attempt to narrowly tailor a goal for the procurement at issue that reflected the reality of the project. Arbitrary quotas, and the unyielding application of those quotas, did not support the stated objective of ensuring equal access to City contracting opportunities. The *Croson* Court said nothing about the constitutionality of flexible goals based upon the availability of MBEs to perform the scopes of the contract in the government's local market area. In contrast, the USDOT DBE program avoids these pitfalls. 49 C.F.R. Part 26 "provides for a flexible system of contracting goals that contrasts sharply with the rigid quotas invalidated in *Croson*."

While strict scrutiny is designed to require clear articulation of the evidentiary basis for race-based decision-making and careful adoption of remedies to address discrimination, it is not, as Justice O'Connor stressed, an impossible test that no proof can meet. Strict scrutiny need not be "fatal in fact".

C. Establishing a "Strong Basis in Evidence" for a Harris Health Program for Minority- and Woman-Owned Businesses

The case law on the U.S. Department of Transportation's DBE program should guide Harris Health's program for locally funded contracts. Whether the program is called an M/WBE program or a DBE program or any other moniker, the strict scrutiny test applies. The DBE

[55] *See, for example, Northern Contracting III*, 473 F.3d at 723.

[56] *North Shore Concrete and Associates, Inc. v. City of New York*, 1998 U.S. Dist. Lexis 6785, *28-29 (E.D. N.Y. 1998); *see also Harrison & Burrowes Bridge Constructors, Inc. v. Cuomo*, 981 F.2d 50, 61-62 (2nd Cir. 1992) ("Croson made only broad pronouncements concerning the findings necessary to support a state's affirmative action plan"); *cf. Concrete Works II*, 36 F.3d at 1528 (City may rely on "data reflecting the number of MBEs and WBEs in the marketplace to defeat the challenger's summary judgment motion").

program regulations[57] have been upheld by every court[58], and local programs for Minority- and Woman-Owned Business Enterprises will be judged against the following legal framework.[59]

All courts have held that Congress had strong evidence of widespread racial discrimination in the construction industry. This included:

- Disparities between the earnings of minority-owned firms and similarly situated non-minority owned firms;
- Disparities in commercial loan denial rates between Black business owners compared to similarly situated non-minority business owners;
- The large and rapid decline in minorities' participation in the construction industry when affirmative action programs were struck down or abandoned; and
- Various types of overt and institutional discrimination by prime contractors, trade unions, business networks, suppliers, and sureties against minority contractors.[60]

The regulations were facially narrowly tailored.

- The overall goal must be based upon demonstrable evidence of the number of ready, willing, and able DBEs.
- The goal may be adjusted to reflect the availability of DBEs "but for" the effects of the DBE program and of discrimination.
- The recipient must meet the maximum feasible portion of the goal through race-neutral measures.
- The use of quotas and setasides is limited to only those situations where there is no other remedy.
- The overall, triennial goals are to be adjusted during the year to remain narrowly tailored.
- The presumption of social disadvantage for racial and ethnic minorities and women is rebuttable, "wealthy minority owners and wealthy minority firms are excluded, and certification is available to persons who are not presumptively disadvantaged but can demonstrate actual social and economic disadvantage."[61]

As previously noted, programs for veterans, persons with disabilities, preferences based on geographic location or truly race- and gender-neutral small business efforts are not subject to strict scrutiny but rather the lower level of scrutiny called "rational basis". Therefore, no evidence comparable to that in a disparity study is needed to enact such initiatives.

It is well established that disparities between a government's utilization of M/WBEs and their availability in the relevant marketplace provide a sufficient basis for the consideration of race- or gender-conscious remedies. Proof of the disparate impacts of economic factors such as access to capital and bonding on M/WBEs[62] and the disparate treatment of such firms by actors critical

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[57] 49 C.F.R. Part 26.

[58] *See, for example, Midwest Fence II*, 840 F.3d at 932; *Northern Contracting III*, 473 F.3d at 715; *Associated General Contractors of America, San Diego Chapter, Inc., v. California Department of Transportation*, *et al*., 713 F. 3d 1187, 1198 (9th Cir. 2013); *Western States*, 407 F.3d at 983, 994; *Adarand VII*, 228 F.3d at 1147; *M.K. Weeden Construction v. Montana Department of Transportation*, 2013 WL 4774517 (D. Mont.) (September 4, 2013).

[59] *Midwest Fence II*, 840 F.3d. at 953.

[60] *Western States,* 407 F.3d at 992-93.

[61] *Sherbrooke*, 345 F.3d. at 973.

[62] *Northern Contracting, Inc. v. Illinois Department of Transportation*, *et al,* 2005 U.S. Dist. LEXIS 19868 at *69 (Sept. 8, 2005) ("*Northern Contracting II*").

to their success will meet strict scrutiny. Discrimination must be shown using statistics and economic models to examine the effects of systems or markets on different groups, as well as by evidence of personal experiences with discriminatory conduct, policies or systems.[63] Specific evidence of discrimination or its absence may be direct or circumstantial and should include economic factors and opportunities in the private sector affecting the success of M/WBEs.[64] A stark disparity in DBE participation rates on goals and non-goals contracts, when combined with the statistical and anecdotal evidence of discrimination in the relevant marketplaces, has been held to support the use of race-conscious goals.[65]

Croson'*s* admonition that "mere societal" discrimination is not enough to meet strict scrutiny is met where the government presents evidence of discrimination in the industry targeted by the program. "If such evidence is presented, it is immaterial for constitutional purposes whether the industry discrimination springs from widespread discriminatory attitudes shared by society or is the product of policies, practices, and attitudes unique to the industry… The genesis of the identified discrimination is irrelevant." There is no requirement to "show the existence of specific discriminatory policies and that those policies were more than a reflection of societal discrimination."[66]

Harris Health need not prove that it is itself guilty of discrimination to meet its burden. In upholding Denver's M/WBE construction program, the Tenth Circuit stated that Denver can show its compelling interest by "evidence of private discrimination in the local construction industry coupled with evidence that it has become a passive participant in that discrimination…[by] linking its spending practices to the private discrimination."[67] Denver further linked its award of public dollars to discriminatory conduct through the testimony of M/WBEs that identified general contractors who used them on City projects with M/WBE goals but refused to use them on private projects without goals.

The following are the necessary disparity study elements to determine the constitutional validity of race- and gender-conscious local programs. Programs based upon studies similar to the methodology employed for this Report have been deemed a rich and relevant source of data and have been upheld repeatedly. This includes the availability analysis and the examination of disparities in the business formation rates and business earnings of minorities and women compared to similarly situated non-minority males.[68]

1. Define Harris Health's Market Area

The first step is to determine the market area in which Harris Health operates. *Croson* states that a state or local government may only remedy discrimination within its own contracting

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[63] *Adarand VII*, 228 F.3d at 1166 ("statistical and anecdotal evidence are appropriate").
[64] *Id*.
[65] *Northern Contracting II* at 80 ("the stark disparity in DBE participation rates on goals and non-goals contracts, when combined with the statistical and anecdotal evidence of discrimination in the relevant marketplaces" indicates the presence of discrimination); *see Croson*, 488 U.S. at 492.
[66] *Concrete Works IV*, 321 F.3d at 976.
[67] *Id*. at 977.
[68] The Illinois Department of Transportation's ("IDOT's") DBE program was upheld based on this approach combined with other economy-wide and anecdotal evidence. IDOT's plan was based upon sufficient proof of discrimination such that race-neutral measures alone would be inadequate to assure that DBEs operate on a "level playing field" for government contracts. *Northern Contracting III,* 473 F.3d at 720. The USDOT's institutional guidance for Part 26 refers approvingly to this case. https://www.transportation.gov/sites/dot.gov/files/docs/Western_States_Paving_Company_Case_Questions_and_Answers.pdf.

market area. The City of Richmond was specifically faulted for including minority contractors from across the country in its program, based on national data considered by Congress.[69] Harris Health must therefore empirically establish the geographic and product dimensions of its contracting and procurement market area to ensure that the program meets strict scrutiny. This is a fact driven inquiry; it may or may not be the case that the market area is the government's jurisdictional boundaries.[70] This study employs long established economic principles to empirically establish Harris Health's geographic and product market area to ensure that any program based on the study satisfies strict scrutiny.

A commonly accepted definition of geographic market area for disparity studies is the locations that account for at least 75% of the agency's contract and subcontract dollar payments.[71] Likewise, the accepted approach is to analyze those detailed industries that make up at least 75% of the prime contract and associated subcontract payments for the study period.[72] This produces the utilization results within the geographic market area.[73]

2. Determine Harris Health's Utilization of Minority- and Woman-Owned Businesses

The study should next determine Harris Health's utilization of minority- and woman-owned businesses ("M/WBEs/HUBs") in its market area. Generally, this analysis should be limited to formally procured contracts and high dollar contracts that are not required to go through a formal bid process per state law; however, it is unlikely that it is realistic or useful to set goals on low dollar contracts. Developing the file for analysis involves the following steps, regardless of funding source:

1. Develop the Initial Contract Data File. This involves first gathering Harris Health's records of its payments to prime contractors, and if available, associated subcontractors.
2. Develop the Sample Contract Data File, if necessary. If the Initial Contract Data File is too large to complete all the missing contract records, a sample should be drawn. Standard statistical procedures should be utilized that result in a sample whose basic parameters (distribution of the number of contracts and the value of contract dollars) mirror the broad industry sectors (*i.e.*, construction; construction-related services; goods; and services) in the Initial Contract Data File. In addition, the total number of contracts must allow for a statistically representative sample at the 95% confidence level and a five percent confidence interval. These parameters are the norm in statistical sample procedures.
3. Develop the Final Contract Data File. Whatever data are missing (often race and gender ownership, North American Industry Classification System ("NAICS") or other industry codes, work descriptions or other important information not collected by the entity's) must be fully reconstructed by the consultant. While painstaking and labor intensive, this step cannot be skipped. Using surveys is unlikely to yield sufficient data, and so each contract must be examined, and the record completed to ensure a full and accurate

[69] *Croson*, 488 U.S. at 508.
[70] *Concrete Works II*, 36 F.3d at 1520 (to confine data to strict geographic boundaries would ignore "economic reality").
[71] J. Wainwright and C. Holt, *Guidelines for Conducting a Disparity and Availability Study for the Federal DBE* Program, National Academies of Sciences, Engineering, and Medicine, 2010 ("*National Disparity Study Guidelines*").
[72] *Id*.
[73] For this Report, we found Harris Health's market area to be Harris, Galveston, Montgomery, and Fort Bend counties. Please see Chapter III.

picture of the entity's activities. It is also important to research whether a firm that has an address outside the market area has a location in the market area (contract records often have far flung addresses for payments). All necessary data for at least 80% of the contract dollars in the final contract data files should be collected to ensure a comprehensive file that mirrors Harris Health's contracting and procurement activities.

4. Determining the Geographic Market. The federal courts require that a government narrowly tailor its race- and gender-conscious contracting program elements to its geographic market area.[74] This element of the analysis must be empirically established [75] and the accepted approach is to analyze those detailed industries, as defined by 6-digit NAICS codes, that make up at least 75% of the prime contract and subcontract payments for the study period.[76]

3. Determine the Availability of Minority- and Woman-Owned Businesses in Harris Health's Market Area

Next, the study must estimate the availability of minorities and women in Harris Health's market area to participate in Harris Health's contracts as prime contractors and associated subcontractors. Based on the product and geographic utilization data, the study should calculate unweighted and weighted M/WBE/HUB availability estimates of ready, willing and able firms in Harris Health's market. These results will be a narrowly tailored, dollar-weighted average of all the underlying industry availability numbers; larger weights will be applied to industries with relatively more spending and lower weights applied to industries with relatively less spending. The availability figures should be sub-divided by race, ethnicity, and gender.

The availability analysis involves the following steps:

1. The development of the Merged Business Availability List. Three data sets are used to develop the Merged Business Availability List:

    - The firms in the M/W/DBE Master Directory developed for Harris Health. This methodology includes both certified firms and non-certified firms owned by minorities or women.[77] The Master Directory consists of all available government and private D/M/WBE directories, limited to firms within Harris Health's geographic and product market.
    - The firms contained in Harris Health's contract data files. This will require the elimination of any duplications because a firm might have received more than one contract for work in a given NAICS code during the study period.
    - Firms extracted from the Dun & Bradstreet MarketPlace/Hoovers database, using the relevant geographic and product market definitions.

[74] *Croson*, 488 U.S. at 508 (Richmond was specifically faulted for including minority contractors from across the country in its program based on the national evidence that supported the USDOT DBE program); *see* 49 C.F.R. §26.45(c); https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise ("D. Explain How You Determined Your Local Market Area…. your local market area is the area in which the substantial majority of the contractors and subcontractors with which you do business are located and the area in which you spend the substantial majority of your contracting dollars.").

[75] *Concrete Works II*, 36 F.3d at 1520 (to confine data to strict geographic boundaries would ignore "economic reality").

[76] *See National Disparity Study Guidelines*, at 29-30.

[77] *Id*. at 33-34.

2. The estimation of unweighted availability. The Merged Business Availability List will be the available universe of relevant firms for the study. This process will significantly improve the identification of minority-owned and woman-owned businesses in the business population. Race and sex must be assigned to any firm not already classified.[78] This will produce estimates of minority and woman business availability in Harris Health's markets for each NAICS code in the product market; for woman and minority business availability for all NAICS codes combined; and for the broad industry categories of goods, services and construction. The detailed results should also be the basis for contract specific goal setting methodology.
3. The estimation of weighted availability. Using the weights from the utilization analysis, the unweighted availability should be adjusted for the share of Harris Health's spending in each NAICS code. The unweighted availability determination will be weighted by the share of dollars Harris Health actually spends in each NAICS code, derived from the utilization analysis. These resulting weighted availability estimates will be used in the calculation of disparity indices for Harris Health's contracts.

   This adjustment is important for two reasons. First, disparity analyses compare utilization and availability. The utilization metrics are shares of dollars. The unweighted availability metrics are shares of firms. In order to make comparable analyses, the dollar shares are used to weight the unweighted availability. Second, any examination of Harris Health's overall usage of available firms must be conducted with an understanding of what NAICS codes received what share of the entity's spending. Absent this, a particular group's availability share (high or low) in an area of low spending would carry equal weight to a particular group's availability share (high or low) in an area of large spending.

This three-part methodology for estimating availability is usually referred to as the "custom census" approach with refinements. This approach is favored for several reasons. As recognized by the courts and the *National Disparity Study Guidelines*,[79] this methodology in general is superior to the other methods for at least four reasons.

- First, it provides an internally consistent and rigorous "apples to apples" comparison between firms in the availability numerator and those in the denominator. Other approaches often have different definitions for the firms in the numerator (*e.g.*, certified M/WBEs or firms that respond to a survey) and the denominator (*e.g.*, registered vendors or the Census Bureau's County Business Patterns data).
- Second, by examining a comprehensive group of firms, it "casts a broader net" beyond those known to the agency. As held by the federal court of appeals in finding the Illinois Department of Transportation's program to be constitutional, the "remedial nature of [DBE programs] militates in favor of a method of D/M/W/SBE availability calculation that casts a broader net" than merely using bidders lists or other agency or government directories. A broad methodology is also recommended by the USDOT for the federal DBE program, which has been upheld by every court.[80] A custom census is less likely to

[78] We note this is an improvement over the approach described in the *National Disparity Study Guidelines*, which recommended a survey to assign classifications. While it is more labor intensive to actually assign race, gender and industry code to each firm than using a mathematical formula derived from survey results, it greatly improves the accuracy of the assignments, resulting in more narrowly tailored results.
[79] *National Disparity Study Guidelines*, at 57-58.
[80] *See Tips for Goal Setting in the Disadvantaged Business Enterprise (DBE) Program*, https://www.transportation.gov/sites/dot.gov/files/docs/Tips_for_Goal-Setting_in_DBE_Program_20141106.pdf.

be tainted by the effects of past and present discrimination than other methods, such as bidders lists, because it seeks out firms in the agency's market areas that have not been able to access its opportunities.

- Third, this approach is less impacted by variables affected by discrimination. Factors such as firm age, size, qualifications, and experience are all elements of business success where discrimination would be manifested. Several courts have held that the results of discrimination – which impact factors affecting capacity – should not be the benchmark for a program designed to ameliorate the effects of discrimination. They have acknowledged that minority and woman firms may be smaller, newer, and otherwise less competitive than non-M/WBEs because of the very discrimination sought to be remedied by race-conscious contracting programs. Racial and gender differences in these "capacity" factors are the *outcomes* of discrimination, and it is therefore inappropriate as a matter of economics and statistics to use them as "control" variables in a disparity study.[81]
- Fourth, this methodology has been upheld by every court that has reviewed it, including the failed challenge to the Illinois Department of Transportation's DBE program[82] and the more recent successful defense of the Illinois State Toll Highway's DBE program.[83]

Other methodologies relying only on vendor or bidder lists may overstate or understate availability as a proportion of the County's actual markets because they reflect only the results of the agency's own activities, not an accurate portrayal of marketplace behavior. Other methods of whittling down availability by using assumptions based on surveys with limited response rates or guesses about firms' capacities easily lead to findings that woman and minority businesses no longer face discrimination or are unavailable, even when the firm is actually working on entity contracts.

Many plaintiffs have tried to argue that studies must somehow control for "capacity" of M/WBEs to perform specific government contracts. The definition of "capacity" has varied based upon the plaintiff's particular point of view, but it has generally meant firm age, firm size (full time employees), firm revenues, bonding limits and prior experience on government projects (no argument has been made outside of the construction industry).

This test has been rejected by the courts when directly addressed by the plaintiff and the defendant. As recognized by the courts and the *National Disparity Study Guidelines*, these capacity factors are not race- and gender-neutral variables. Discriminatory barriers depress the formation rates of firms by minorities and women and the rates of success of such firms in doing business in both the private and public sectors. In a perfectly discriminatory system, M/WBEs would have no "capacity" because they would have been prevented from developing any "capacity". That certainly would not mean that there was no discrimination or that the government must sit by helplessly and continue to award tax dollars within the "market failure" of discrimination and without recognition of systematic, institutional race- and gender-based barriers. It is these types of "capacity" variables where barriers to full and fair opportunities to compete will be manifested. Capacity limitations on availability would import the current effects of past discrimination into the model, because if M/WBEs are newer or smaller because of discrimination, then controlling for those variables will mask the phenomenon of discrimination that is being studied. In short, identifiable indicators of capacity are themselves impacted and

[81] For a detailed discussion of the role of capacity in disparity studies, see the *National Disparity Study Guidelines*, Appendix B, "Understanding Capacity."
[82] *Northern Contracting III,* 473 F.3d at 721
[83] *See generally Midwest Fence* 840 F.3d 932; *Northern Contracting III,* 473 F.3d 715.

reflect discrimination. The courts have agreed. Based on expert testimony, judges understand that factors such as size and experience reflect outcomes influenced by race and gender: "M/WBE construction firms are generally smaller and less experienced *because* of discrimination."[84]

To rebut this framework, a plaintiff must proffer its own study showing that the disparities disappear when whatever variables it believes are important are held constant and that controlling for firm specialization explained the disparities.[85] Significantly, *Croson* does not "require disparity studies that measure whether construction firms are able to perform a *particular contract*."[86]

There are also practical reasons not to circumscribe availability through "capacity" limitations. First, there is no agreement concerning what variables are relevant or how those variables are to be measured for the purpose of examining whether race and gender barriers impede the success of minority and woman entrepreneurs. For example, a newly formed firm might be the result of a merger of much older entities or have been formed by highly experienced owners; it is unclear how such variations would shed light on the issues in a disparity study. Second, since the amount of necessary capacity will vary from contract to contract, there is no way to establish universal standards that would satisfy the capacity limitation. Third, firms' capacities are highly elastic. Businesses can add staff, rent equipment, hire subcontractors or take other steps to be able to perform a particular scope on a particular contract. Whatever a firm's capacity might have been at the time of the study, it may well have changed by the time the agency seeks to issue a specific solicitation. Fourth, there are no reliable data sources for the type of information usually posited as important by those who seek to reduce availability estimates using capacity factors. While a researcher might have information about firms that are certified as M/WBEs or that are prequalified by a government (which usually applies only to construction firms), there is no database for that information for non-certified firms, especially White male-owned firms that usually function as subcontractors. Any adjustment to the numerator (M/WBEs) must also be made to the denominator (all firms), as a researcher cannot assume that all White male-owned firms have adequate capacity but that M/WBEs do not.

Capacity variables should be examined at the economy-wide level of business formation and earnings, discussed in Chapter IV, not at the first stage of the analysis. To import these variables into the availability determination would confirm the downward bias that discrimination imposes on M/WBEs' availability and the upward bias enjoyed by non-M/WBEs. These factors should also be explored during anecdotal data collection, discussed in Chapter V. They are also relevant to contract goal setting, where the agency must use its judgment about whether to adjust the initial goal that results from the study data based on current market conditions and current firm availability, discussed in Chapter IV.

[84] *Concrete Works IV*, 321 F.3d at 983 (emphasis in the original).
[85] Conjecture and unsupported criticism of the government are not enough. The plaintiff must rebut the government's evidence and introduce "credible, particularized evidence" of its own. *See Midwest Fence II*, 840 F.3d at 942 (upholding the Illinois Tollway's program for state funded contracts modeled after Part 26 and based on CHA's expert testimony).
[86] *Croson*, 488 U.S. at 508 (emphasis in the original).

4. Examine Disparities between Harris Health's Utilization of Minority- and Woman-Owned Businesses and the Availability of Minority- and Woman-Owned Businesses

A disparity study for a local government must analyze whether there are statistically significant disparities between the availability of M/WBE/HUBs and their utilization on the entity's contracts.

> Where there is a significant statistical disparity between the number of qualified minority contractors willing and able to perform a particular service and the number of such contractors actually engaged by the locality or the locality's prime contractors, an inference of discriminatory exclusion could arise… In the extreme case, some form of narrowly tailored racial preference might be necessary to break down patterns of deliberate exclusion.[87]

This is known as the "disparity ratio" or "disparity index". A disparity ratio measures the participation of a group in the government's contracting opportunities by dividing that group's utilization by the availability of that group and multiplying that result by 100. Courts have looked to disparity indices in determining whether strict scrutiny is satisfied.[88] An index of less than 100% indicates that a given group is being utilized less than would be expected based on its availability.

The courts have held that disparity results must be analyzed to determine whether the results are "significant". There are two distinct methods to measure a result's significance. First, a "large" or "substantively significant" disparity is commonly defined by courts as utilization that is equal to or less than 80% of the availability measure. This is based on the Equal Employment Opportunity Commission's "Eighty Percent Rule" that a ratio less than 80% presents a *prima facie* case of discrimination by supporting the inference that the result may be caused by the disparate impacts of discrimination.[89] Second, statistically significant disparity means that an outcome is unlikely to have occurred as the result of random chance alone. The greater the statistical significance, the smaller the probability that it resulted from random chance alone.[90] A more in-depth discussion of statistical significance is provided in Appendix C.

In addition to creating the disparity ratio, correct measures of availability are necessary to determine whether discriminatory barriers depress the formation of firms by minorities and women, and the success of such firms in doing business in both the private and public sectors, known as an "economy-wide" disparity analysis.[91]

Harris Health need not prove that the statistical inferences of discrimination are "correct". In upholding Denver's M/WBE Program, the Tenth Circuit noted that strong evidence supporting Denver's determination that remedial action was necessary need not have been based upon

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[87] *Croson*, 488 U.S. at 509*; see Webster*, 51 F.Supp.2d at 1363, 1375.

[88] *W. H. Scott Construction*, 199 F.3d at 218; *see also Concrete Works II*, 36 F.3d at 1526-1527; *O'Donnell Construction Co., Inc, v. State of Columbia*, 963 F.2d 420, 426 (D.C. Cir. 1992); *Cone Corporation v. Hillsborough County*, 908 F.2d 908, 916 (11th Cir. 1990), *cert. denied*, 498 U.S. 983 (1990).

[89] 29 C.F.R. §1607.4(D) ("A selection rate for any race, sex, or ethnic group which is less than four-fifths (4/5) (or eighty percent) of the rate for the group with the highest rate will generally be regarded by the Federal enforcement agencies as evidence of adverse impact, while a greater than four-fifths rate will generally not be regarded by Federal enforcement agencies as evidence of adverse impact.")*; see Engineering Contractors II*, 122 F3d at 914.

[90] A chi-square test – examining if the utilization rate was different from the weighted availability - is used to determine the statistical significance of the disparity ratio.

[91] *Northern Contracting II,* 2005 U.S. Dist. LEXIS 19868 at *69 (IDOT's custom census approach was supportable because "discrimination in the credit and bonding markets may artificially reduce the number of M/WBEs").

"irrefutable or definitive" proof of discrimination. Statistical evidence creating inferences of discriminatory motivations was sufficient and therefore evidence of market area discrimination was properly used to meet strict scrutiny. To rebut this type of evidence, the plaintiff must prove by a preponderance of the evidence that such proof does not support those inferences.[92]

Nor must Harris Health demonstrate that the "ordinances will *change* discriminatory practices and policies" in the local market area; such a test would be "illogical" because firms could defeat the remedial efforts simply by refusing to cease discriminating.[93]

Harris Health need not prove that private firms directly engaged in any discrimination in which the government passively participates do so intentionally, with the purpose of disadvantaging minorities and women.

> Denver's only burden was to introduce evidence which raised the inference of discriminatory exclusion in the local construction industry and link its spending to that discrimination…. Denver was under no burden to identify any specific practice or policy that resulted in discrimination. Neither was Denver required to demonstrate that the purpose of any such practice or policy was to disadvantage women or minorities. To impose such a burden on a municipality would be tantamount to requiring proof of discrimination and would eviscerate any reliance the municipality could place on statistical studies and anecdotal evidence.[94]

Similarly, statistical evidence by its nature cannot identify the individuals responsible for the discrimination; there is no need to do so to meet strict scrutiny, as opposed to an individual or class action lawsuit.[95]

5. Analyze Economy-Wide Evidence of Race- and Gender-Based Disparities in Harris Health's Market

The courts have repeatedly held that analysis of disparities in the rates at which M/WBEs in the government's markets form businesses compared to similar non-M/WBEs, their earnings from such businesses, and their access to capital markets are highly relevant to the determination of whether the market functions properly for all firms regardless of the race or gender of their ownership. These analyses contributed to the successful defense of Chicago's construction program.[96] As similarly explained by the Tenth Circuit, this type of evidence

> demonstrates the existence of two kinds of discriminatory barriers to minority subcontracting enterprises, both of which show a strong link between racial disparities in the federal government's disbursements of public funds for construction contracts and the channeling of those funds due to private discrimination. The first discriminatory barriers are to the formation of qualified minority subcontracting enterprises due to private discrimination, precluding from the outset competition for public construction contracts by minority enterprises. The second discriminatory barriers are to fair competition between minority and non-minority subcontracting enterprises, again due to private discrimination, precluding existing minority firms from effectively competing for public construction

[92] *Concrete Works IV*, 321 F. 3d at 971.
[93] *Id*. at 973 (emphasis in the original).
[94] *Id*. at 971.
[95] *Id*. at 973.
[96] *Builders Ass'n of Greater Chicago v. City of Chicago*, 298 F. Supp.2d 725, 740 (N.D. Ill. 2003) ("*BAGC*").

> contracts. The government also presents further evidence in the form of local disparity studies of minority subcontracting and studies of local subcontracting markets after the removal of affirmative action programs.… The government's evidence is particularly striking in the area of the race-based denial of access to capital, without which the formation of minority subcontracting enterprises is stymied.[97]

Business discrimination studies and lending formation studies are relevant and probative because they show a strong link between the disbursement of public funds and the channeling of those funds due to private discrimination. "Evidence that private discrimination results in barriers to business formation is relevant because it demonstrates that M/WBEs are precluded *at the outset* from competing for public construction contracts. Evidence of barriers to fair competition is also relevant because it again demonstrates that *existing* M/WBEs are precluded from competing for public contracts."[98] Despite the contentions of plaintiffs that possibly dozens of factors might influence the ability of any individual to succeed in business, the courts have rejected such impossible tests and held that business formation studies are not flawed because they cannot control for subjective descriptions such as "quality of education", "culture" and "religion".[99]

For example, in unanimously upholding the DBE Program for federal-aid transportation contracts, the courts agree that disparities between the earnings of minority-owned firms and similarly situated non-minority-owned firms and the disparities in commercial loan denial rates between Black business owners compared to similarly situated non-minority business owners are strong evidence of the continuing effects of discrimination.[100] The Eighth Circuit Court of Appeals took a "hard look" at the evidence Congress considered, and concluded that the legislature had

> spent decades compiling evidence of race discrimination in government highway contracting, of barriers to the formation of minority-owned construction businesses, and of barriers to entry. In rebuttal, [the plaintiffs] presented evidence that the data were susceptible to multiple interpretations, but they failed to present affirmative evidence that no remedial action was necessary because minority-owned small businesses enjoy non-discriminatory access to and participation in highway contracts. Thus, they failed to meet their ultimate burden to prove that the DBE program is unconstitutional on this ground.[101]

This analysis is especially useful for an entity such as Harris Health which has been implementing a race- and gender-conscious program for many years, which might partially ameliorate market wide barriers through the use of contracting diversity tools.

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[97] *Adarand VII*, 228 F.3d at 1147, 1167-68.
[98] *Id*.
[99] *Concrete Works IV,* 321 F.3d at 980.
[100] *Id*.; *Western States*, 407 F.3d at 993; *Northern Contracting, Inc. v. Illinois Department of Transportation*, 2004 U.S. Dist. LEXIS 3226 at *64 (N.D. Ill., Mar. 3, 2004) ("*Northern Contracting I*").
[101] *Sherbrooke*, 345 F.3d. at 970; s*ee also, Adarand VII*, 228 F.3d at 1175 (Plaintiff has not met its burden "of introducing credible, particularized evidence to rebut the government's initial showing of the existence of a compelling interest in remedying the nationwide effects of past and present discrimination in the federal construction procurement subcontracting market.").

6. Evaluate Anecdotal Evidence of Race- and Gender-Based Barriers to Equal Opportunities in Harris Health's Market

A study should further explore anecdotal evidence of experiences with discrimination in contracting opportunities because it is relevant to the question of whether observed statistical disparities are due to discrimination and not to some other non-discriminatory cause or causes. As observed by the Supreme Court, anecdotal evidence can be persuasive because it "brought the cold [statistics] convincingly to life."[102] Testimony about discrimination practiced by prime contractors, bonding companies, suppliers, and lenders has been found relevant regarding barriers both to minority firms' business formation and to their success on governmental projects.[103] While anecdotal evidence is insufficient standing alone, "[p]ersonal accounts of actual discrimination or the effects of discriminatory practices may, however, vividly complement empirical evidence. Moreover, anecdotal evidence of a [government's] institutional practices that exacerbate discriminatory market conditions are [sic] often particularly probative."[104] "[W]e do not set out a categorical rule that every case must rise or fall entirely on the sufficiency of the numbers. To the contrary, anecdotal evidence might make the pivotal difference in some cases; indeed, in an exceptional case, we do not rule out the possibility that evidence not reinforced by statistical evidence, as such, will be enough."[105]

There is no requirement that anecdotal testimony be "verified" or corroborated, as befits the role of evidence in legislative decision-making as opposed to judicial proceedings. "Plaintiff offers no rationale as to why a fact finder could not rely on the State's 'unverified' anecdotal data. Indeed, a fact finder could very well conclude that anecdotal evidence need not– indeed cannot-– be verified because it 'is nothing more than a witness' narrative of an incident told from the witness' perspective and including the witness' perception."[106] Likewise, the Tenth Circuit held that "Denver was not required to present corroborating evidence and [plaintiff] was free to present its own witnesses to either refute the incidents described by Denver's witnesses or to relate their own perceptions on discrimination in the Denver construction industry."[107]

D. Narrowly Tailoring an M/WBE Program for Harris Health

Even if Harris Health has a strong basis in evidence to believe that race-based measures are needed to remedy identified discrimination, the program must still be narrowly tailored to that evidence. As discussed above, programs that closely mirror those of the USDOT DBE Program[108] have been upheld using that framework.[109] The courts have repeatedly examined the following factors in determining whether race-based remedies are narrowly tailored to achieve their purpose:

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[102] *International Brotherhood of Teamsters v. United States*, 431 U.S. 324, 399 (1977).
[103] *Adarand VII*, 228 F.3d at 1168-1172.
[104] *Concrete Works II*, 36 F.3d at 1520,1530.
[105] *Engineering Contractors of South Florida v. Metropolitan Dade County (Engineering Contractors I),* 943 F. Supp. 1546 (S.D. Fla. 1996) ("*Engineering Contractors I*") 488 U.S. 488 U.S. 488 U.S. This case is one of the leading lower court cases on the sufficiency of anecdotal evidence to meet the compelling interest requirement. The record contained anecdotal complaints of discrimination by M/WBEs which described incidents in which suppliers quoted higher prices to M/WBEs than to their non-M/WBE competitors, and in which non-M/WBE prime contractors unjustifiably replaced the M/WBE subcontractor with a non-MWBE subcontractor.
[106] *Id.* at 1579-1580.
[107] *Concrete Works IV*, 321 F.3d at 989.
[108] 49 C.F.R. Part 26.
[109] *See, e.g., Midwest Fence II,* 840 F.3d at 953 (upholding the Illinois Tollway's program for state funded contracts modelled after Part 26 and based on CHA's expert testimony).

- The necessity of relief; [110]
- The efficacy of race- and gender-neutral remedies at overcoming identified discrimination;[111]
- The relationship of numerical benchmarks for government spending to the availability of minority- and woman-owned firms and to subcontracting goal setting procedures;[112]
- The flexibility of the program requirements, including the provision for good faith efforts to meet goals and contract specific goal setting procedures;[113]
- The relationship of numerical goals to the relevant market;[114]
- The impact of the relief on third parties[115]; and
- The overinclusiveness of racial classifications.[116]

1. Consider Race- and Gender-Neutral Remedies

Race- and gender-neutral approaches are necessary components of a defensible and effective M/WBE program[117]. The failure to seriously consider such remedies has proven fatal to several programs.[118] Difficulty in accessing procurement opportunities, restrictive bid specifications, excessive experience requirements, and overly burdensome insurance and/or bonding requirements, for example, might be addressed by Harris Health without resorting to the use of race or gender in its decision-making. Effective remedies include unbundling of contracts into smaller units, providing technical support, and developing programs to address issues of financing, bonding, and insurance important to all small and emerging businesses.[119] Further, governments have a duty to ferret out and punish discrimination against minorities and women by their contractors, staff, lenders, bonding companies or others.[120]

The requirement that the government must meet the maximum feasible portion of the goal through race-neutral measures, as well as estimate that portion of the goal that it predicts will be met through such measures, has been central to the holdings that the DBE program regulations meet narrow tailoring.[121] The highly disfavored remedy of race-based decision making should be used only as a last resort.

However, strict scrutiny does not require that every race-neutral approach must be implemented and then proven ineffective before race-conscious remedies may be utilized.[122] While an entity must give good faith consideration to race-neutral alternatives, "strict scrutiny does not require

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[110] *Croson*, 488 U.S at 507; *Adarand III*, 515 U.S. at 237-238.
[111] *Paradise* at 171.
[112] *Id.*
[113] *Id.*
[114] *Id.*
[115] *Croson*, 488 U.S. at 506.
[116] *Paradise*, 480 U.S. at 171 ; *see also, Sherbrooke*, 345 F.3d at 971-972.
[117] *Croson*, 488 U.S. at 507 (Richmond considered no alternatives to race-based quota); *Associated General Contractors of Ohio v. Drabik*, 214 F.3d 730, 738 (6th Cir. 2000) ("*Drabik II*"); *Contractors Association of Eastern Pennsylvania v. City of Philadelphia*, 91 F.3d 586, 609 (3rd Cir. 1996) ("*Philadelphia III*") (City's failure to consider race-neutral alternatives was particularly telling); *Webster*, 51 F.Supp.2d at 1380 (for over 20 years County never seriously considered race-neutral remedies); *cf. Aiken*, 37 F.3d at 1164 (failure to consider race-neutral method of promotions suggested a political rather than a remedial purpose).
[118] *See, e.g.*, *Florida A.G.C. Council, Inc. v. State of Florida*, 303 F.Supp.2d 1307, 1315 (N. Dist. Fla. 2004) ("There is absolutely no evidence in the record to suggest that the Defendants contemplated race-neutral means to accomplish the objectives" of the statute.); *Engineering Contractors II*, 122 F.3d at 928.
[119] *See* 49 C.F.R. §26.51.0.
[120] *Croson*, 488 U.S. at 503 n.3; *Webster*, 51 F.Supp.2d at 1380.
[121] *See, e.g.*, *Sherbrooke*, 345 F.3d. at 973.
[122] *Grutter*, 529 U.S. at 339.

exhaustion of every possible such alternative…however irrational, costly, unreasonable, and unlikely to succeed such alternative might be... [S]ome degree of practicality is subsumed in the exhaustion requirement."[123]

2. Set Targeted M/WBE/HUB Goals

Numerical goals or benchmarks for M/WBE/HUB participation must be substantially related to their availability in the relevant market.[124] For example, the DBE program rule requires that the overall goal must be based upon demonstrable evidence of the number of DBEs ready, willing, and able to participate on the recipient's federally assisted contracts.[125] "Though the underlying estimates may be inexact, the exercise requires the States to focus on establishing realistic goals for DBE participation in the relevant contracting markets. This stands in stark contrast to the program struck down in *Croson*."[126]

Goals can be set at various levels of particularity and participation. Harris Health may set an overall, aspirational goal for its annual, aggregate spending. Annual goals can be further disaggregated by race and gender. Approaches range from a single M/WBE or DBE goal that includes all racial and ethnic minorities and non-minority women,[127] to separate goals for each minority group and women.[128]

Goal setting is not an absolute science. In holding the DBE regulations to be narrowly tailored, the Eighth Circuit Court of Appeals noted that "[t]hough the underlying estimates may be inexact, the exercise requires the States to focus on establishing realistic goals for DBE participation in the relevant contracting markets."[129] However, sheer speculation cannot form the basis for an enforceable measure.[130]

It is settled case law that goals for a particular solicitation should reflect the particulars of the contract, not reiterate annual aggregate targets; goals must be contract specific. "Standard" goals are not defensible, nor should the annual aspirational goals function as a predetermined floor. Contract goals must be based upon availability of M/WBEs/HUBs to perform the anticipated scopes of the contract, location, progress towards meeting annual goals, and other factors. Not only is this legally mandated,[131] but this approach also reduces the need to conduct good faith efforts reviews, as well as the temptation to create "front" companies and sham participation to meet unreasonable contract goals. While this is more labor intensive than defaulting to the annual or standard goals, there is no option to avoid meeting the narrow tailoring standard.

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[123] *Coral Construction*, 941 F.2d at 923.
[124] *Webster*, 51 F.Supp.2d at 1379, 1381 (statistically insignificant disparities are insufficient to support an unexplained goal of 35% M/WBE participation in County contracts); *see also Baltimore I*, 83 F.Supp.2d at 621.
[125] 49 C.F.R. §26.45 (b).
[126] *Id*.
[127] *See* 49 C.F.R. §26.45(h) (overall goal must not be subdivided into group-specific goals).
[128] *See Engineering Contractors II*, 122 F.3d at 900 (separate goals for Blacks, Hispanics and women).
[129] *Sherbrooke*, 345 F.3d. at 972.
[130] *BAGC*, 298 F. Supp.2d at 740 (City's MBE and WBE goals were "formulistic" percentages not related to the availability of firms).
[131] *See Sherbrooke*, 345 F.3d at 972; *Coral Construction*, 941 F.2d at 924.

3. Ensure Flexibility of Goals and Requirements

It is imperative that remedies not operate as fixed quotas.[132] A race- and gender-conscious program must provide for contract awards to firms who fail to meet the contract goals but make good faith efforts to do so.[133] In *Croson*, the Court refers approvingly to the contract-by-contract waivers used in the USDOT's DBE program.[134] This feature has been central to the holding that the DBE program meets the narrow tailoring requirement.[135] Further, firms that meet the goals cannot be favored over those who made good faith efforts and firms that exceed the goals cannot be favored over those that did not exceed the goals.

4. Review Program Eligibility Over-Inclusiveness and Under-Inclusiveness

The over- or under-inclusiveness of those persons to be included in a new Harris Health program is an additional consideration and addresses whether the remedies truly target the evil identified. The "fit" between the problem and the remedy manifests in three ways: which groups to include, how to define those groups, and which persons will be eligible to be included within those groups.

The groups to include must be based upon the evidence.[136] The "random inclusion" of ethnic or racial groups that may never have experienced discrimination in the entity's market area may indicate impermissible "racial politics".[137] In striking down Cook County, Illinois' construction program, the Seventh Circuit remarked that a "state or local government that has discriminated just against blacks may not by way of remedy discriminate in favor of blacks and Asian-Americans and women."[138] However, at least one court has held some quantum of evidence of discrimination for each group is sufficient; *Croson* does not require that each group included in the ordinance suffer equally from discrimination.[139] Therefore, remedies should be limited to those firms owned by the relevant minority groups, as established by the evidence, that have suffered actual harm in the market area.[140]

Next, the firm's owner(s) must be disadvantaged. The DBE Program's rebuttable presumptions of social and economic disadvantage, including the requirement that the disadvantaged owner's personal net worth not exceed a certain ceiling and that the firm meet the Small Business Administration's size definitions for its industry, have been central to the courts' holdings that it is narrowly tailored.[141] "[W]ealthy minority owners and wealthy minority-owned firms are

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[132] *See* 49 C.F.R. §26.43 (quotas are not permitted and setaside contracts may be used only in limited and extreme circumstances "when no other method could be reasonably expected to redress egregious instances of discrimination").

[133] *See, e.g., BAGC v. Chicago*, 298 F. Supp.2d at 740 ("Waivers are rarely or never granted…. The City program is a rigid numerical quota…formulistic percentages cannot survive strict scrutiny.").

[134] *Croson*, 488 U.S. at 508; *see also Adarand VII*, 228 F.3d at 1181.

[135] *See*, *e.g.*, *Sherbrooke*, 345 F.3d. at 972; *Webster*, 51 F. Supp. 2d at 1354, 1380.

[136] *Philadelphia II*, 6 F.3d 990, 1007-1008 (strict scrutiny requires data for each minority group; data was insufficient to include Hispanics, Asians or Native Americans).

[137] *Webster*, 51 F.Supp.2d at 1380–1381.

[138] *Builders Association of Greater Chicago v. County of Cook*, 256 F.3d 642, 646 (7th Cir. 2001) ("*Cook II*").

[139] *Concrete Works IV*, 321 F.3d at 971 (Denver introduced evidence of bias against each group; that is sufficient).

[140] *H. B. Rowe*, 615 F.3d at 233, 254 ("[T]he statute contemplates participation goals only for those groups shown to have suffered discrimination. As such, North Carolina's statute differs from measures that have failed narrow tailoring for overinclusiveness.").

[141] *Sherbrooke*, 345 F.3d at 973; *see also Grutter*, 539 U.S. at 341; *Adarand VII*, 228 F.3d at 1183-1184 (personal net worth limit is element of narrow tailoring); *cf. Associated General Contractors of Connecticut v. City of New Haven*, 791 F. Supp. 941, 948 (D. Conn. 1992), *vacated on other grounds,* 41 F.3d 62 (2nd Cir. 1992) (definition of "disadvantage" was vague and unrelated to goal).

excluded, and certification is available to persons who are not presumptively [socially] disadvantaged but can demonstrate actual social and economic disadvantage. Thus, race is made relevant in the program, but it is not a determinative factor."[142] Further, anyone must be able to challenge the disadvantaged status of any firm.[143] The certifications accepted by a local program must meet these criteria.

5. Evaluate the Burden on Third Parties

Failure to make "neutral" changes to contracting and procurement policies and procedures that disadvantage M/WBEs and other small businesses may result in a finding that the program unduly burdens non-M/WBEs.[144] However, "innocent" parties can be made to share some of the burden of the remedy for eradicating racial discrimination.[145] The burden of compliance need not be placed only upon those firms directly responsible for the discrimination. The proper focus is whether the burden on third parties is "too intrusive" or "unacceptable". As described by the court in upholding the Illinois Tollway's program for non-federally assisted contracts,

> [t]he Court reiterates that setting goals as a percentage of total contract dollars does not demonstrate an undue burden on non-DBE subcontractors. The Tollway's method of goal setting is identical to that prescribed by the Federal Regulations, which this Court has already found to be supported by "strong policy reasons" [citation omitted].… Here, where the Tollway Defendants have provided persuasive evidence of discrimination in the Illinois road construction industry, the Court finds the Tollway Program's burden on non-DBE subcontractors to be permissible.[146]

Burdens must be proven and cannot constitute mere speculation by a plaintiff.[147] "Implementation of the race-conscious contracting goals for which [the federal authorizing legislation] provides will inevitably result in bids submitted by non-DBE firms being rejected in favor of higher bids from DBEs. Although the result places a very real burden on non-DBE firms, this fact alone does not invalidate [the statute]. If it did, all affirmative action programs would be unconstitutional because of the burden upon non-minorities."[148]

Narrow tailoring does permit certified firms acting as prime contractors to count their self-performance towards meeting contract goals, if the study finds discriminatory barriers to prime contract opportunities and there is no requirement that a program be limited only to the subcontracting portions of contracts. The DBE program regulations provide this remedy for discrimination against DBEs seeking prime work,[149] and the regulations do not limit the

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[142] *Sherbrooke*, 345 F.3d. at 973.
[143] 49 C.F.R. §26.87.
[144] *See Engineering Contractors I,* 943 F. Supp. at 1581-1582. (County chose not to change its procurement system).
[145] *Concrete Works IV*, 321 F.3d at 973; *Wygant*, 476 U.S. at 280-281; *Adarand VII*, 228 F.3 at 1183 ("While there appears to be no serious burden on prime contractors, who are obviously compensated for any additional burden occasioned by the employment of DBE subcontractors, at the margin, some non-DBE subcontractors such as *Adarand* will be deprived of business opportunities"); *cf. Northern Contracting II*, at *5 ("Plaintiff has presented little evidence that is [sic] has suffered anything more than minimal revenue losses due to the program.").
[146] *Midwest Fence I,* 84 F. Supp. 3d at 739.
[147] *H.B. Rowe*, 615 F.3d at 254 (prime bidder had no need for additional employees to perform program compliance and need not subcontract work it can self-perform).
[148] *Western States*, 407 F.3d at 995.
[149] 49 C.F.R. §26.53(g) ("In determining whether a DBE bidder/offeror for a prime contract has met the contractor goal, count the work the DBE has committed to perform with its own forces as well as the work that it has committed to be performed by DBE subcontractors and suppliers.").

application of the program to only subcontracts.[150] The trial court in upholding the Illinois DOT's DBE program explicitly recognized that barriers to subcontracting opportunities also affect the ability of DBEs to compete for prime work on a fair basis.

> This requirement that goals be applied to the value of the entire contract, not merely the subcontracted portion(s), is not altered by the fact that prime contracts are, by law, awarded to the lowest bidder. While it is true that prime contracts are awarded in a race- and gender-neutral manner, the Regulations nevertheless mandate application of goals based on the value of the entire contract. Strong policy reasons support this approach. Although laws mandating award of prime contracts to the lowest bidder remove concerns regarding direct discrimination at the level of prime contracts, the indirect effects of discrimination may linger. The ability of DBEs to compete successfully for prime contracts may be indirectly affected by discrimination in the subcontracting market, or in the bonding and financing markets. Such discrimination is particularly burdensome in the construction industry, a highly competitive industry with tight profit margins, considerable hazards, and strict bonding and insurance requirements.[151]

6. Review the Duration of the Program

Race-based programs must have durational limits. A race-based remedy must "not last longer than the discriminatory effects it is designed to eliminate."[152] The unlimited duration and lack of review were factors in the court's holding that the City of Chicago's M/WBE construction program was no longer narrowly tailored; Chicago's program was based on 14-year-old information which, while it supported the program adopted in 1990, no longer was sufficient standing alone to justify the City's efforts in 2004.[153] How old is too old is not definitively answered,[154] but governments would be wise to analyze data at least once every five or six years.

In contrast, the USDOT DBE program's periodic review by Congress has been repeatedly held to provide adequate durational limits.[155, 156] Similarly, "two facts [were] particularly compelling in establishing that [North Carolina's M/WBE program] was narrowly tailored: the statute's provisions (1) setting a specific expiration date and (2) requiring a new disparity study every five years."[157]

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[150] 49 C.F.R. §26.45(a)(1).
[151] *Northern Contracting II,* 2005 U.S. Dist. LEXIS 19868 at 74.
[152] *Adarand III*, 515 U.S. at 238.
[153] *BAGC*, 298 F.Supp.2d at 739.
[154] *See, e.g., Associated General Contractors of Ohio, Inc. v. Drabik,* 50 F.Supp.2d 741, 747, 750 (S.D. Ohio 1999) ("*Drabik I*") ("A program of race-based benefits cannot be supported by evidence of discrimination which is now over twenty years old.… The state conceded that it had no additional evidence of discrimination against minority contractors, and admitted that during the nearly two decades the Act has been in effect, it has made no effort to determine whether there is a continuing need for a race-based remedy."); *Brunet v. City of Columbus*, 1 F.3d 390, 409 (6th Cir. 1993), *cert. denied sub nom Brunet v. Tucker*, 510 U.S. 1164 (1994) (fourteen-year-old evidence of discrimination "too remote to support a compelling governmental interest.").
[155] *See Western States*, 407 F.3d at 995.
[156] *See* Fixing America's Surface Transportation ("FAST") Act, Pub. L. No. 114-94 (2015.
[157] *H.B. Rowe*, 615 F.3d at 253.

III. Contract Data Analysis for Harris Health Systems

A. Contract Data Overview

We analyzed contract data for 2018 through 2019 for Harris Health System ("Harris Health"). In order to conduct the analysis, we constructed all the fields necessary for our analysis where they were missing in the entity's contract records (*e.g.*, industry type; zip codes; six-digit North American Industry Classification System ("NAICS") codes of prime contractors and subcontractors; Minority- and Woman-owned Business Enterprise ("M/WBE") status). This work resulted in the Final Contract Data File ("FCDF"). Tables 3-1 through 3-2 provide data on the FCDF.

Table 3-1
Final Contract Data File

Contract Type	Total Contracts	Share of Total Contracts
Prime Contracts	98	27.7%
Subcontracts	256	72.3%
TOTAL	**354**	**100.0%**

Source: CHA analysis of Harris Health data

Table 3-2
Final Contract Data File Net Dollar Value

Business Type	Total Contract Dollars	Share of Total Contract Dollars
Prime Contracts	$57,286,632	74.7%
Subcontracts	$19,406,874	25.3%
TOTAL	**$76,693,507**	**100.0%**

Source: CHA analysis of Harris Health data

Sections B through F present our analysis of Harris Health's contracts. First, we determined the geographic and product markets for the analysis. Next, we estimated the utilization of M/WBEs by Harris Health. Third, we used the FCDF, in combination with other databases (as described below), to calculate M/WBE unweighted and weighted availability in Harris Health's marketplace. Finally, we analyzed whether there are any disparities between Harris Health's utilization of M/WBEs and M/WBE weighted availability.

B. Harris Health's Geographic and Product Market

As discussed in Chapter II, the federal courts[158] require that a government narrowly tailor its race- and gender-conscious contracting program elements to its geographic market area. This element of the analysis must be empirically established.[159] The accepted approach is to analyze those detailed industries, as defined by six-digit NAICS codes,[160] that make up at least 75% of the prime contract and subcontract payments for the study period.[161] The determination of Harris Health's geographic and product market requires three steps:

5. Describing the Final Contract Data File to determine the product market.
6. Identifying the geographic market.
7. Determining the product market given the geographic parameters.

Table 3-3 lists all of the NAICS codes in the Final Contract Data File. Table 3-4 identifies Harris Health's geographic market. This step of identifying the geographic market imposes a spatial constraint on this data set. Having established the geographic market, we determined the product market by constraining the FCDF by this spatial parameter. Table 3-5 presents these results.

1. Harris Health's Final Contract Data File

The FCDF, which establishes Harris Health's product market, consists of 71 NAICS codes with a total contract dollar value of $76,693,508. Table 3-3 presents each NAICS code with its share of the total contract dollar value. The NAICS codes are presented from the code with the largest share to the smallest share.

Table 3-3
Industry Dollars Distribution of
Harris Health Contracts by Percentage

NAICS	NAICS Code Description	Pct Contract Dollars	Cumulative Pct Contract Dollars
236220	Commercial and Institutional Building Construction	41.4%	41.4%
238210	Electrical Contractors and Other Wiring Installation Contractors	11.6%	53.0%
238220	Plumbing, Heating, and Air-Conditioning Contractors	10.0%	63.0%
541110	Offices of Lawyers	4.5%	67.5%

[158] *City of Richmond v. J.A. Croson Co.*, 488 U.S. 469, 508 (1989) (Richmond was specifically faulted for including minority contractors from across the country in its program based on the national evidence that supported the USDOT DBE program); *see* 49 C.F.R. §26.45(c); https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise ("D. Explain How You Determined Your Local Market Area.… your local market area is the area in which the substantial majority of the contractors and subcontractors with which you do business are located and the area in which you spend the substantial majority of your contracting dollars.").

[159] *Concrete Works of Colorado, Inc. v. City and County of Denver*, 36 F.3d 1513, 1520 (10th Cir. 1994) (to confine data to strict geographic boundaries would ignore "economic reality").

[160] www.census.gov/eos/www/naics.

[161] National Academies of Sciences, Engineering, and Medicine 2010, *Guidelines for Conducting a Disparity and Availability Study for the Federal DBE Program*. Washington, DC: The National Academies Press. https://doi.org/10.17226/14346 ("*National Disparity Study Guidelines*").

NAICS	NAICS Code Description	Pct Contract Dollars	Cumulative Pct Contract Dollars
524114	Direct Health and Medical Insurance Carriers	4.4%	72.0%
423450	Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers	2.7%	74.6%
238290	Other Building Equipment Contractors	2.6%	77.3%
561320	Temporary Help Services	2.4%	79.7%
541330	Engineering Services	1.5%	81.2%
541511	Custom Computer Programming Services	1.3%	82.5%
811310	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	1.3%	83.7%
621910	Ambulance Services	1.2%	85.0%
238310	Drywall and Insulation Contractors	1.1%	86.1%
561720	Janitorial Services	1.1%	87.1%
541690	Other Scientific and Technical Consulting Services	1.0%	88.1%
541512	Computer Systems Design Services	1.0%	89.1%
238350	Finish Carpentry Contractors	0.8%	89.9%
238330	Flooring Contractors	0.7%	90.7%
238320	Painting and Wall Covering Contractors	0.7%	91.4%
237310	Highway, Street, and Bridge Construction	0.5%	91.9%
238130	Framing Contractors	0.5%	92.4%
561312	Executive Search Services	0.5%	92.9%
339910	Jewelry and Silverware Manufacturing	0.4%	93.3%
541611	Administrative Management and General Management Consulting Services	0.4%	93.7%
238390	Other Building Finishing Contractors	0.4%	94.1%
221330	Steam and Air-Conditioning Supply	0.3%	94.4%
238910	Site Preparation Contractors	0.3%	94.7%
524298	All Other Insurance Related Activities	0.3%	95.0%
721110	Hotels (except Casino Hotels) and Motels	0.3%	95.4%
541612	Human Resources Consulting Services	0.3%	95.7%
423320	Brick, Stone, and Related Construction Material Merchant Wholesalers	0.3%	96.0%
561730	Landscaping Services	0.3%	96.3%
445299	All Other Specialty Food Stores	0.3%	96.5%
238150	Glass and Glazing Contractors	0.2%	96.8%

NAICS	NAICS Code Description	Pct Contract Dollars	Cumulative Pct Contract Dollars
561621	Security Systems Services (except Locksmiths)	0.2%	97.0%
238990	All Other Specialty Trade Contractors	0.2%	97.2%
424210	Drugs and Druggists' Sundries Merchant Wholesalers	0.2%	97.5%
531210	Offices of Real Estate Agents and Brokers	0.2%	97.7%
237110	Water and Sewer Line and Related Structures Construction	0.2%	97.9%
541430	Graphic Design Services	0.2%	98.1%
541613	Marketing Consulting Services	0.2%	98.2%
541930	Translation and Interpretation Services	0.2%	98.4%
621511	Medical Laboratories	0.2%	98.6%
621512	Diagnostic Imaging Centers	0.2%	98.8%
541820	Public Relations Agencies	0.1%	98.9%
561790	Other Services to Buildings and Dwellings	0.1%	99.0%
541370	Surveying and Mapping (except Geophysical) Services	0.1%	99.1%
423390	Other Construction Material Merchant Wholesalers	0.1%	99.2%
493190	Other Warehousing and Storage	0.1%	99.3%
492110	Couriers and Express Delivery Services	0.1%	99.4%
238120	Structural Steel and Precast Concrete Contractors	0.1%	99.5%
541810	Advertising Agencies	0.1%	99.5%
811212	Computer and Office Machine Repair and Maintenance	0.1%	99.6%
423840	Industrial Supplies Merchant Wholesalers	0.1%	99.7%
423850	Service Establishment Equipment and Supplies Merchant Wholesalers	0.1%	99.7%
238140	Masonry Contractors	0.04%	99.7%
238160	Roofing Contractors	0.04%	99.8%
238110	Poured Concrete Foundation and Structure Contractors	0.03%	99.8%
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers	0.03%	99.9%
525110	Pension Funds	0.03%	99.9%
541420	Industrial Design Services	0.03%	99.9%
423690	Other Electronic Parts and Equipment Merchant Wholesalers	0.03%	99.9%
541380	Testing Laboratories	0.02%	100.0%
238340	Tile and Terrazzo Contractors	0.01%	100.0%
424490	Other Grocery and Related Products Merchant Wholesalers	0.01%	100.0%

NAICS	NAICS Code Description	Pct Contract Dollars	Cumulative Pct Contract Dollars
423220	Home Furnishing Merchant Wholesalers	0.01%	100.0%
518210	Data Processing, Hosting, and Related Services	0.01%	100.0%
442291	Window Treatment Stores	0.004%	100.0%
423440	Other Commercial Equipment Merchant Wholesalers	0.002%	100.0%
512240	Sound Recording Studios	0.002%	100.0%
561410	Document Preparation Services	0.0004%	100.0%
TOTAL		**100.0%**	

Source: CHA analysis of Harris Health data

2. Harris Health's Geographic Market

Firm location was determined by zip code and aggregated into counties as the geographic unit. Contracts awarded to firms located in the State of Texas accounted for 90.4% of all dollars during the study period. The four counties within the Houston metropolitan area – Harris, Galveston, Montgomery, and Fort Bend – captured 96.1% of the state dollars and 86.8% of the entire FCDF. Therefore, these four counties were determined to be the geographic market for Harris Health, and we limited our analysis to firms in these counties. Table 3-4 presents the county distribution of the State of Texas contract dollars.

Table 3-4
County Distribution of Contract Dollars within the State of Texas

County	Pct Total Contract Dollars
Harris County	83.6%
Galveston County	5.1%
Montgomery County	4.0%
Fort Bend County	3.3%
Dallas County	2.2%
Williamson County	0.8%
Brazos County	0.3%
Tarrant County	0.2%
Travis County	0.1%
El Paso County	0.1%
Liberty County	0.1%
Bastrop County	0.1%
Brazoria County	0.02%
Potter County	0.003%

County	Pct Total Contract Dollars
TOTAL	100.0%

Source: CHA analysis of Harris Health data

C. Harris Health's Utilization of M/WBEs in its Geographic Market

Having determined Harris Health's geographic market area, the next step was to determine the dollar value of Harris Health's utilization of M/WBEs[162] as measured by net payments to prime firms and subcontractors and disaggregated by race and gender. There were 62 NAICS codes after constraining the FCDF by the geographic market; the dollar value of the contracts in these codes was $66,597,239. Table 3-5 presents these data. We note that the contract dollar shares in Table 3-5 are equivalent to the weight of spending in each NAICS code. These data were used to calculate weighted availability[163] from unweighted availability, as discussed below.

Table 3-5
NAICS Code Distribution of Contract Dollars
in Harris Health's Product Market when Constrained by its Geographic Market

NAICS	NAICS Code Description	Total Contract Dollars	Pct Total Contract Dollars
236220	Commercial and Institutional Building Construction	$31,559,902	47.4%
238210	Electrical Contractors and Other Wiring Installation Contractors	$7,970,827	12.0%
238220	Plumbing, Heating, and Air-Conditioning Contractors	$7,605,326	11.4%
524114	Direct Health and Medical Insurance Carriers	$3,200,000	4.8%
238290	Other Building Equipment Contractors	$1,921,384	2.9%
561320	Temporary Help Services	$1,529,377	2.3%
811310	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	$964,890	1.4%
541330	Engineering Services	$963,418	1.4%

[162] For our analysis, the term "M/WBE" includes firms that are certified by government agencies and minority- and woman-owned firms that are not certified. As discussed in Chapter II, the inclusion of all minority- and female-owned businesses in the pool casts the broad net approved by the courts and that supports the remedial nature of these programs. *See Northern Contracting, Inc. v. Illinois Department of Transportation*, 473 F.3d 715, 723 (7th Cir. 2007) (The "remedial nature of the federal scheme militates in favor of a method of DBE availability calculation that casts a broader net.").

[163] *See* "Tips for Goal Setting in the Disadvantaged Business Enterprise Program" ("F. Wherever Possible, Use Weighting. Weighting can help ensure that your Step One Base Figure is as accurate as possible. While weighting is not required by the rule, it will make your goal calculation more accurate. For instance, if 90% of your contract dollars will be spent on heavy construction and 10% on trucking, you should weight your calculation of the relative availability of firms by the same percentages.") (emphasis in the original), https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise.

NAICS	NAICS Code Description	Total Contract Dollars	Pct Total Contract Dollars
423450	Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers	$945,523	1.4%
621910	Ambulance Services	$929,320	1.4%
561720	Janitorial Services	$822,901	1.2%
541512	Computer Systems Design Services	$738,587	1.1%
238310	Drywall and Insulation Contractors	$723,333	1.1%
238350	Finish Carpentry Contractors	$579,551	0.9%
238330	Flooring Contractors	$570,062	0.9%
238320	Painting and Wall Covering Contractors	$550,429	0.8%
237310	Highway, Street, and Bridge Construction	$399,590	0.6%
238130	Framing Contractors	$371,215	0.6%
541110	Offices of Lawyers	$260,000	0.4%
221330	Steam and Air-Conditioning Supply	$258,470	0.4%
238910	Site Preparation Contractors	$258,134	0.4%
721110	Hotels (except Casino Hotels) and Motels	$242,961	0.4%
541612	Human Resources Consulting Services	$235,000	0.4%
423320	Brick, Stone, and Related Construction Material Merchant Wholesalers	$226,659	0.3%
561730	Landscaping Services	$221,003	0.3%
445299	All Other Specialty Food Stores	$220,000	0.3%
238390	Other Building Finishing Contractors	$217,784	0.3%
238150	Glass and Glazing Contractors	$182,714	0.3%
561621	Security Systems Services (except Locksmiths)	$177,022	0.3%
238990	All Other Specialty Trade Contractors	$175,155	0.3%
424210	Drugs and Druggists' Sundries Merchant Wholesalers	$172,864	0.3%
531210	Offices of Real Estate Agents and Brokers	$170,297	0.3%
541613	Marketing Consulting Services	$136,437	0.2%
541930	Translation and Interpretation Services	$133,996	0.2%
541690	Other Scientific and Technical Consulting Services	$129,508	0.2%
561790	Other Services to Buildings and Dwellings	$99,950	0.2%
237110	Water and Sewer Line and Related Structures Construction	$92,473	0.1%
541370	Surveying and Mapping (except Geophysical) Services	$84,674	0.1%

NAICS	NAICS Code Description	Total Contract Dollars	Pct Total Contract Dollars
423390	Other Construction Material Merchant Wholesalers	$70,227	0.1%
493190	Other Warehousing and Storage	$66,886	0.1%
492110	Couriers and Express Delivery Services	$62,145	0.1%
238120	Structural Steel and Precast Concrete Contractors	$56,064	0.1%
541810	Advertising Agencies	$50,000	0.1%
423850	Service Establishment Equipment and Supplies Merchant Wholesalers	$39,866	0.1%
541430	Graphic Design Services	$30,825	0.05%
238160	Roofing Contractors	$28,735	0.04%
238110	Poured Concrete Foundation and Structure Contractors	$26,151	0.04%
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers	$24,882	0.04%
541511	Custom Computer Programming Services	$21,559	0.03%
541420	Industrial Design Services	$20,007	0.03%
238140	Masonry Contractors	$19,762	0.03%
238340	Tile and Terrazzo Contractors	$10,149	0.02%
541611	Administrative Management and General Management Consulting Services	$8,200	0.01%
423220	Home Furnishing Merchant Wholesalers	$5,775	0.01%
541380	Testing Laboratories	$4,300	0.01%
518210	Data Processing, Hosting, and Related Services	$3,993	0.01%
442291	Window Treatment Stores	$2,764	0.004%
423440	Other Commercial Equipment Merchant Wholesalers	$1,698	0.003%
512240	Sound Recording Studios	$1,513	0.002%
423690	Other Electronic Parts and Equipment Merchant Wholesalers	$475	0.001%
621511	Medical Laboratories	$390	0.001%
561410	Document Preparation Services	$140	0.0002%
TOTAL		**$66,597,239**	**100.0%**

Source: CHA analysis of Harris Health data

D. Harris Health's Utilization of M/WBEs in its Product Market

Table 3-6 presents the distribution of each NAICS code's contract dollars across the relevant demographic groups. Table 3-7 indicates each demographic group's share of all spending in the particular NAICS code.

Table 3-6
Distribution of Contract Dollars by Race and Gender
(total dollars)

NAICS	Black	Hispanic	Asian	Native American	MBE	White Women	M/WBE	Non-M/WBE	Total
221330	$0	$0	$0	$0	$0	$0	$0	$258,470	$258,470
236220	$0	$0	$0	$0	$0	$0	$0	$31,559,902	$31,559,902
237110	$0	$0	$0	$0	$0	$87,755	$87,755	$4,718	$92,473
237310	$0	$0	$0	$0	$0	$0	$0	$399,590	$399,590
238110	$0	$0	$0	$0	$0	$0	$0	$26,151	$26,151
238120	$0	$0	$0	$0	$0	$10,769	$10,769	$45,295	$56,064
238130	$0	$0	$0	$0	$0	$1,560	$1,560	$369,655	$371,215
238140	$0	$0	$0	$0	$0	$2,699	$2,699	$17,063	$19,762
238150	$0	$58,235	$0	$0	$58,235	$21,098	$79,333	$103,381	$182,714
238160	$0	$0	$0	$0	$0	$0	$0	$28,735	$28,735
238210	$0	$69,386	$0	$0	$69,386	$102,596	$171,982	$7,798,844	$7,970,827
238220	$0	$0	$0	$0	$0	$50,415	$50,415	$7,554,910	$7,605,325
238290	$0	$0	$0	$0	$0	$0	$0	$1,921,384	$1,921,384
238310	$0	$0	$0	$0	$0	$0	$0	$723,333	$723,333
238320	$0	$0	$0	$0	$0	$222,423	$222,423	$328,007	$550,429
238330	$0	$360	$0	$0	$360	$115,054	$115,414	$454,648	$570,062
238340	$0	$3,750	$0	$0	$3,750	$0	$3,750	$6,399	$10,149
238350	$0	$389,210	$0	$0	$389,210	$172,687	$561,897	$17,653	$579,551

NAICS	Black	Hispanic	Asian	Native American	MBE	White Women	M/WBE	Non-M/WBE	Total
238390	$0	$0	$0	$0	$0	$98,263	$98,263	$119,521	$217,784
238910	$0	$9,500	$0	$0	$9,500	$3,786	$13,286	$244,848	$258,134
238990	$0	$558	$0	$0	$558	$108,952	$109,510	$65,645	$175,155
423220	$0	$5,775	$0	$0	$5,775	$0	$5,775	$0	$5,775
423320	$0	$0	$0	$0	$0	$0	$0	$226,658	$226,658
423390	$0	$0	$0	$0	$0	$0	$0	$70,227	$70,227
423440	$0	$0	$0	$0	$0	$0	$0	$1,698	$1,698
423450	$0	$0	$0	$0	$0	$0	$0	$945,523	$945,523
423610	$0	$24,882	$0	$0	$24,882	$0	$24,882	$0	$24,882
423690	$0	$475	$0	$0	$475	$0	$475	$0	$475
423850	$0	$0	$0	$0	$0	$39,866	$39,866	$0	$39,866
424210	$0	$121,210	$0	$0	$121,210	$0	$121,210	$51,654	$172,864
442291	$0	$0	$0	$0	$0	$0	$0	$2,764	$2,764
445299	$0	$0	$0	$0	$0	$0	$0	$220,000	$220,000
492110	$0	$0	$0	$0	$0	$0	$0	$62,145	$62,145
493190	$0	$0	$0	$0	$0	$0	$0	$66,886	$66,886
512240	$0	$0	$0	$0	$0	$1,513	$1,513	$0	$1,513
518210	$0	$0	$0	$0	$0	$3,992	$3,992	$0	$3,992
524114	$0	$0	$0	$0	$0	$0	$0	$3,200,000	$3,200,000
531210	$0	$0	$0	$0	$0	$0	$0	$170,297	$170,297
541110	$0	$0	$0	$0	$0	$0	$0	$260,000	$260,000
541330	$0	$0	$0	$0	$0	$0	$0	$963,418	$963,418
541370	$0	$0	$0	$0	$0	$84,674	$84,674	$0	$84,674
541380	$0	$0	$0	$0	$0	$0	$0	$4,300	$4,300

NAICS	Black	Hispanic	Asian	Native American	MBE	White Women	M/WBE	Non-M/WBE	Total
541420	$0	$0	$0	$0	$0	$0	$0	$20,007	$20,007
541430	$0	$0	$0	$0	$0	$25,068	$25,068	$5,756	$30,824
541511	$0	$0	$0	$0	$0	$10,959	$10,959	$10,600	$21,559
541512	$0	$0	$0	$0	$0	$121,634	$121,634	$616,953	$738,587
541611	$0	$0	$0	$0	$0	$8,200	$8,200	$0	$8,200
541612	$0	$0	$0	$0	$0	$0	$0	$235,000	$235,000
541613	$0	$0	$0	$0	$0	$135,469	$135,469	$968	$136,436
541690	$0	$0	$0	$0	$0	$71,561	$71,561	$57,946	$129,508
541810	$0	$0	$0	$0	$0	$0	$0	$50,000	$50,000
541930	$0	$0	$0	$0	$0	$123,072	$123,072	$10,924	$133,996
561320	$0	$297,636	$225,800	$0	$523,436	$0	$523,436	$1,005,941	$1,529,377
561410	$0	$0	$0	$0	$0	$140	$140	$0	$140
561621	$0	$0	$0	$0	$0	$10,280	$10,280	$166,742	$177,022
561720	$0	$417,814	$0	$0	$417,814	$0	$417,814	$405,087	$822,901
561730	$0	$0	$0	$0	$0	$0	$0	$221,003	$221,003
561790	$0	$99,950	$0	$0	$99,950	$0	$99,950	$0	$99,950
621511	$0	$0	$0	$0	$0	$0	$0	$390	$390
621910	$0	$0	$0	$0	$0	$929,320	$929,320	$0	$929,320
721110	$0	$0	$0	$0	$0	$0	$0	$242,961	$242,961
811310	$0	$0	$0	$0	$0	$964,890	$964,890	$0	$964,890
Total	**$0**	**$1,498,741**	**$225,800**	**$0**	**$1,724,541**	**$3,528,695**	**$5,253,236**	**$61,344,003**	**$66,597,239**

Source: CHA analysis of Harris Health data

Table 3-7
Distribution of Contract Dollars
by Race and Gender
(share of total dollars)

NAICS	Black	Hispanic	Asian	Native American	MBE	White Women	M/WBE	Non-M/WBE	Total
221330	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
236220	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
237110	0.0%	0.0%	0.0%	0.0%	0.0%	94.9%	94.9%	5.1%	100.0%
237310	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
238110	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
238120	0.0%	0.0%	0.0%	0.0%	0.0%	19.2%	19.2%	80.8%	100.0%
238130	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.4%	99.6%	100.0%
238140	0.0%	0.0%	0.0%	0.0%	0.0%	13.7%	13.7%	86.3%	100.0%
238150	0.0%	31.9%	0.0%	0.0%	31.9%	11.5%	43.4%	56.6%	100.0%
238160	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
238210	0.0%	0.9%	0.0%	0.0%	0.9%	1.3%	2.2%	97.8%	100.0%
238220	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.7%	99.3%	100.0%
238290	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
238310	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
238320	0.0%	0.0%	0.0%	0.0%	0.0%	40.4%	40.4%	59.6%	100.0%
238330	0.0%	0.1%	0.0%	0.0%	0.1%	20.2%	20.3%	79.8%	100.0%
238340	0.0%	36.9%	0.0%	0.0%	36.9%	0.0%	36.9%	63.1%	100.0%
238350	0.0%	67.2%	0.0%	0.0%	67.2%	29.8%	97.0%	3.0%	100.0%
238390	0.0%	0.0%	0.0%	0.0%	0.0%	45.1%	45.1%	54.9%	100.0%
238910	0.0%	3.7%	0.0%	0.0%	3.7%	1.5%	5.2%	94.9%	100.0%
238990	0.0%	0.3%	0.0%	0.0%	0.3%	62.2%	62.5%	37.5%	100.0%

NAICS	Black	Hispanic	Asian	Native American	MBE	White Women	M/WBE	Non-M/WBE	Total
423220	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%
423320	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
423390	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
423440	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
423450	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
423610	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%
423690	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%
423850	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%	100.0%
424210	0.0%	70.1%	0.0%	0.0%	70.1%	0.0%	70.1%	29.9%	100.0%
442291	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
445299	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
492110	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
493190	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
512240	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%	100.0%
518210	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%	100.0%
524114	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
531210	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
541110	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
541330	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
541370	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%	100.0%
541380	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
541420	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
541430	0.0%	0.0%	0.0%	0.0%	0.0%	81.3%	81.3%	18.7%	100.0%
541511	0.0%	0.0%	0.0%	0.0%	0.0%	50.8%	50.8%	49.2%	100.0%

NAICS	Black	Hispanic	Asian	Native American	MBE	White Women	M/WBE	Non-M/WBE	Total
541512	0.0%	0.0%	0.0%	0.0%	0.0%	16.5%	16.5%	83.5%	100.0%
541611	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%	100.0%
541612	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
541613	0.0%	0.0%	0.0%	0.0%	0.0%	99.3%	99.3%	0.7%	100.0%
541690	0.0%	0.0%	0.0%	0.0%	0.0%	55.3%	55.3%	44.7%	100.0%
541810	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
541930	0.0%	0.0%	0.0%	0.0%	0.0%	91.8%	91.8%	8.2%	100.0%
561320	0.0%	19.5%	14.8%	0.0%	34.2%	0.0%	34.2%	65.8%	100.0%
561410	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%	100.0%
561621	0.0%	0.0%	0.0%	0.0%	0.0%	5.8%	5.8%	94.2%	100.0%
561720	0.0%	50.8%	0.0%	0.0%	50.8%	0.0%	50.8%	49.2%	100.0%
561730	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
561790	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%
621511	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
621910	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%	100.0%
721110	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
811310	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	0.0%	100.0%
TOTAL	**0.0%**	**2.3%**	**0.3%**	**0.0%**	**2.6%**	**5.3%**	**7.9%**	**92.1%**	**100.0%**

Source: CHA analysis of Harris Health data

E. The Availability of M/WBEs in Harris Health's Geographic and Product Market

1. The Methodological Framework

Estimates of the availability of M/WBEs in Harris Health's geographic and product market are a critical component of Harris Health's compliance with its constitutional obligations to ensure its program is narrowly tailored. As discussed in Chapter II, the courts require that the availability estimates reflect the number of "ready, willing and able" firms that can perform on specific types of work involved in the recipient's prime contracts and associated subcontracts; general population is legally irrelevant. Availability estimates are also crucial should Harris Health determine it has a sufficient evidentiary basis to adopt annual M/WBE targets and to set narrowly tailored contract goals.

To examine whether M/WBEs are receiving full opportunities on Harris Health contracts, these narrowly tailored availability estimates were compared to the utilization percentage of dollars received by M/WBEs, discussed below in Section F.

We applied the "custom census" approach, with refinements, to estimating availability, discussed in Chapter II. Using this framework, CHA utilized three databases to estimate availability:

1. The Final Contract Data File
2. The Master M/WBE Directory compiled by CHA
3. Dun & Bradstreet/Hoovers Database

First, we eliminated any duplicate entries in the geographically constrained FCDF. Some firms received multiple contracts for work performed in the same NAICS codes. Without this elimination of duplicate listings, the availability database would be artificially large. This list of unique firms comprised the first component of the Study's availability determination.

To develop the Master Directory, we utilized the Texas Unified Certification Program Directory, the City of Houston's Certified Directory, and Harris Health Contract Data File to compile the Master Directory. We limited the firms we used in our analysis to those operating within Harris Health's product market.

We next developed a custom database from Hoovers, a Dun & Bradstreet company, for minority- and woman-owned firms and non-M/WBEs. Hoovers maintains a comprehensive, extensive and regularly updated listing of all firms conducting business. The database includes a vast amount of information on each firm, including location and detailed industry codes, and is the broadest publicly available data source for firm information. We purchased the information from Hoovers for the firms in the NAICS codes located in Harris Health's market area in order to form our custom Dun & Bradstreet/Hoovers Database. In the initial download, the data from Hoovers simply identified a firm as being minority-owned.[164] However, the company does keep detailed information on ethnicity (*i.e*., is the minority firm owner Black, Hispanic, Asian, or Native American). We obtained this additional information from Hoovers by special request.

[164] The variable is labeled: "Is Minority Owned" and values for the variable can be either "1" (for yes) or blank.

The Hoovers database is the most comprehensive list of minority-owned and woman-owned businesses available. It is developed from the efforts of a national firm whose business is collecting business information. Hoovers builds its database from over 250 sources, including information from government sources and various associations, and its own efforts. Hoovers conducts an audit of the preliminary database prior to the public release of the data. That audit must result in a minimum of 94% accuracy. Once published, Hoovers has an established protocol to regularly refresh its data. This protocol involves updating any third-party lists that were used and contacting a selection of firms via Hoover's own call centers.

We merged these three databases to form an accurate estimate of firms available to work on Harris Health contracts. For an extended explanation of how unweighted and weighted availability are calculated, please see Appendix D.

2. The Availability Data and Results

Tables 3-8 through 3-10 present data on:

1. The unweighted availability percentages by race and gender and by NAICS codes for Harris Health's product market;
2. The weights used to adjust the unweighted numbers;[165] and
3. The final estimates of the weighted averages of the individual six-digit level NAICS availability estimates in Harris Health's market area.

We "weighted" the availability data for two reasons. First, the weighted availability represents the share of total possible contractors for each demographic group, weighted by the distribution of contract dollars across the NAICS codes in which Harris Health spends its dollars. Weighting is necessary because the disparity ratio, discussed below, must be an "apples-to-apples" comparison. The numerator – the utilization rate – is measured in dollars *not* the number of firms. Therefore, the denominator – availability – must be measured in dollars, not the number of firms.

Second, weighting also reflects the importance of the availability of a demographic group in a particular NAICS code, that is, how important that NAICS code is to Harris Health's contracting patterns. For example, in a hypothetical NAICS Code 123456, if the total available firms are 100 and 60 of these firms are M/WBEs; hence, M/WBE availability would be 60%. However, if Harris Health spends only one percent of its contract dollars in this NAICS code, then this high availability would be offset by the low level of spending in that NAICS code. In contrast, if Harris Health spent 25% of its contract dollars in NAICS Code 123456, then the same availability would carry a greater weight.

To calculate the weighted availability for each NAICS code, we first determined the unweighted availability for each demographic group in each NAICS code (presented in Table 3-8). In the previous example, the unweighted availability for M/WBEs in NAICS Code 123456 is 60%. We then multiplied the unweighted availability by the share of Harris Health spending in that NAICS code presented in Table 3-9. This share is the *weight.* Using the previous example, where Harris Health spending in NAICS Code 123456 was one percent, the component of M/WBE weighted availability for NAICS Code 123456 would be 0.006: 60% multiplied by one percent.

[165] These weights are equivalent to the share of contract dollars presented in the previous section.

We performed this calculation for each NAICS code and then summed all of the individual components for each demographic group to determine the weighted availability for that group. The results of this calculation are presented in Table 3-10.

Table 3-8
Unweighted M/WBE Availability for Harris Health Contracts

NAICS	Black	Hispanic	Asian	Native American	MBE	White Woman	M/WBE	Non-M/WBE	Total
221330	0.0%	0.0%	0.0%	0.0%	0.0%	7.1%	7.1%	92.9%	100.0%
236220	10.7%	6.4%	4.1%	0.5%	21.7%	6.2%	27.9%	72.1%	100.0%
237110	5.2%	8.6%	1.2%	0.2%	15.2%	4.8%	20.0%	80.0%	100.0%
237310	11.0%	14.0%	4.1%	0.5%	29.4%	6.6%	36.0%	64.0%	100.0%
238110	4.8%	8.7%	1.0%	0.0%	14.5%	3.5%	18.0%	82.0%	100.0%
238120	5.3%	19.3%	4.7%	0.0%	29.3%	12.7%	42.0%	58.0%	100.0%
238130	2.6%	2.7%	0.6%	0.1%	6.0%	2.8%	8.7%	91.3%	100.0%
238140	1.2%	3.7%	0.2%	0.0%	5.2%	4.7%	9.9%	90.1%	100.0%
238150	0.5%	6.8%	0.9%	1.4%	9.5%	4.1%	13.6%	86.4%	100.0%
238160	1.5%	2.7%	0.2%	0.0%	4.4%	2.9%	7.3%	92.7%	100.0%
238210	2.8%	4.4%	0.7%	0.0%	7.9%	4.0%	12.0%	88.0%	100.0%
238220	1.4%	1.5%	0.1%	0.1%	3.0%	2.2%	5.3%	94.7%	100.0%
238290	3.1%	3.1%	0.8%	0.8%	7.9%	6.3%	14.2%	85.8%	100.0%
238310	6.8%	6.8%	0.7%	0.1%	14.5%	3.8%	18.3%	81.7%	100.0%
238320	4.0%	3.6%	0.4%	0.0%	8.0%	3.1%	11.1%	88.9%	100.0%
238330	10.2%	10.5%	1.2%	0.0%	21.8%	8.3%	30.2%	69.8%	100.0%
238340	1.0%	2.3%	0.0%	0.0%	3.3%	2.8%	6.1%	93.9%	100.0%
238350	3.7%	8.3%	1.5%	0.0%	13.5%	3.7%	17.2%	82.8%	100.0%
238390	2.6%	4.4%	0.0%	0.0%	7.0%	5.5%	12.5%	87.5%	100.0%
238910	12.4%	14.7%	1.2%	0.4%	28.7%	8.5%	37.2%	62.8%	100.0%
238990	2.0%	2.1%	0.5%	0.1%	4.6%	3.4%	8.0%	92.0%	100.0%
423220	0.3%	1.6%	1.3%	0.0%	3.2%	9.3%	12.5%	87.5%	100.0%
423320	2.3%	4.0%	1.1%	0.3%	7.6%	4.8%	12.4%	87.6%	100.0%
423390	7.5%	1.9%	0.9%	0.9%	11.2%	7.5%	18.7%	81.3%	100.0%
423440	0.3%	0.2%	0.1%	0.0%	0.5%	1.8%	2.3%	97.7%	100.0%
423450	7.2%	2.7%	3.5%	0.4%	13.8%	7.6%	21.5%	78.5%	100.0%
423610	2.2%	2.6%	1.2%	0.3%	6.3%	7.8%	14.1%	85.9%	100.0%
423690	0.8%	2.0%	1.5%	0.0%	4.3%	6.8%	11.0%	89.0%	100.0%
423850	4.1%	1.4%	0.6%	0.4%	6.4%	9.4%	15.8%	84.2%	100.0%

NAICS	Black	Hispanic	Asian	Native American	MBE	White Woman	M/WBE	Non-M/WBE	Total
424210	1.5%	1.0%	0.7%	0.0%	3.2%	9.0%	12.1%	87.9%	100.0%
442291	1.0%	0.5%	0.0%	0.0%	1.4%	16.2%	17.6%	82.4%	100.0%
445299	0.2%	0.2%	0.5%	0.0%	0.9%	4.2%	5.0%	95.0%	100.0%
492110	8.0%	1.7%	0.3%	0.0%	10.1%	4.2%	14.2%	85.8%	100.0%
493190	0.4%	1.6%	0.0%	0.0%	2.0%	3.6%	5.6%	94.4%	100.0%
512240	2.6%	0.0%	0.0%	0.0%	2.6%	3.5%	6.1%	93.9%	100.0%
518210	3.0%	0.7%	2.5%	0.0%	6.1%	7.7%	13.9%	86.1%	100.0%
524114	0.0%	1.8%	0.0%	0.0%	1.8%	0.9%	2.7%	97.3%	100.0%
531210	0.9%	0.2%	0.1%	0.0%	1.2%	3.5%	4.7%	95.3%	100.0%
541110	0.9%	0.4%	0.3%	0.0%	1.6%	4.2%	5.8%	94.2%	100.0%
541330	3.9%	4.3%	4.9%	0.3%	13.4%	4.4%	17.9%	82.1%	100.0%
541370	1.5%	7.7%	6.5%	0.0%	15.8%	6.0%	21.7%	78.3%	100.0%
541380	1.3%	2.6%	3.2%	0.0%	7.1%	4.7%	11.8%	88.2%	100.0%
541420	8.1%	0.0%	0.0%	0.0%	8.1%	27.0%	35.1%	64.9%	100.0%
541430	3.1%	1.9%	1.5%	0.1%	6.6%	15.8%	22.4%	77.6%	100.0%
541511	2.5%	1.2%	5.0%	0.1%	8.7%	4.1%	12.8%	87.2%	100.0%
541512	4.4%	1.8%	4.7%	0.2%	11.1%	5.1%	16.2%	83.8%	100.0%
541611	4.6%	1.1%	1.0%	0.1%	6.7%	5.3%	12.0%	88.0%	100.0%
541612	15.6%	2.9%	1.3%	0.7%	20.4%	13.6%	34.0%	66.0%	100.0%
541613	2.7%	0.9%	0.4%	0.1%	4.1%	5.7%	9.8%	90.2%	100.0%
541690	5.1%	1.8%	2.1%	0.0%	9.0%	6.3%	15.2%	84.8%	100.0%
541810	3.0%	3.4%	0.4%	0.0%	6.7%	13.4%	20.2%	79.8%	100.0%
541930	2.2%	14.1%	0.5%	0.0%	16.8%	20.0%	36.8%	63.2%	100.0%
561320	10.0%	2.9%	3.2%	0.3%	16.3%	11.4%	27.7%	72.3%	100.0%
561410	7.8%	2.0%	1.0%	1.0%	11.8%	34.3%	46.1%	53.9%	100.0%
561621	3.1%	2.4%	1.0%	0.5%	6.9%	5.7%	12.6%	87.4%	100.0%
561720	6.2%	3.7%	0.5%	0.0%	10.5%	7.3%	17.8%	82.2%	100.0%
561730	3.2%	2.1%	0.1%	0.0%	5.4%	4.2%	9.6%	90.4%	100.0%
561790	2.0%	1.0%	0.2%	0.0%	3.2%	4.2%	7.4%	92.6%	100.0%
621511	0.6%	0.4%	0.8%	0.2%	2.1%	4.6%	6.7%	93.3%	100.0%
621910	6.4%	0.5%	0.5%	0.0%	7.4%	5.0%	12.4%	87.6%	100.0%
721110	0.2%	0.0%	1.6%	0.0%	1.8%	1.7%	3.5%	96.5%	100.0%
811310	0.8%	0.8%	0.1%	0.1%	1.9%	2.8%	4.7%	95.3%	100.0%

NAICS	Black	Hispanic	Asian	Native American	MBE	White Woman	M/WBE	Non-M/WBE	Total
Total	2.8%	2.1%	1.1%	0.1%	6.1%	4.7%	10.8%	89.2%	100.0%

Source: CHA analysis of Harris Health data; Hoovers; CHA Master Directory

Table 3-9
Distribution of Harris Health Spending by NAICS Code (the Weights)

NAICS	NAICS Code Description	WEIGHT (Pct Share of Total Sector Dollars)
221330	Steam and Air-Conditioning Supply	0.4%
236220	Commercial and Institutional Building Construction	47.4%
237110	Water and Sewer Line and Related Structures Construction	0.1%
237310	Highway, Street, and Bridge Construction	0.6%
238110	Poured Concrete Foundation and Structure Contractors	0.04%
238120	Structural Steel and Precast Concrete Contractors	0.1%
238130	Framing Contractors	0.6%
238140	Masonry Contractors	0.03%
238150	Glass and Glazing Contractors	0.3%
238160	Roofing Contractors	0.04%
238210	Electrical Contractors and Other Wiring Installation Contractors	12.0%
238220	Plumbing, Heating, and Air-Conditioning Contractors	11.4%
238290	Other Building Equipment Contractors	2.9%
238310	Drywall and Insulation Contractors	1.1%
238320	Painting and Wall Covering Contractors	0.8%
238330	Flooring Contractors	0.9%
238340	Tile and Terrazzo Contractors	0.02%
238350	Finish Carpentry Contractors	0.9%
238390	Other Building Finishing Contractors	0.3%
238910	Site Preparation Contractors	0.4%
238990	All Other Specialty Trade Contractors	0.3%
423220	Home Furnishing Merchant Wholesalers	0.009%
423320	Brick, Stone, and Related Construction Material Merchant Wholesalers	0.3%
423390	Other Construction Material Merchant Wholesalers	0.1%
423440	Other Commercial Equipment Merchant Wholesalers	0.003%

NAICS	NAICS Code Description	WEIGHT (Pct Share of Total Sector Dollars)
423450	Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers	1.4%
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers	0.04%
423690	Other Electronic Parts and Equipment Merchant Wholesalers	0.001%
423850	Service Establishment Equipment and Supplies Merchant Wholesalers	0.1%
424210	Drugs and Druggists' Sundries Merchant Wholesalers	0.3%
442291	Window Treatment Stores	0.004%
445299	All Other Specialty Food Stores	0.3%
492110	Couriers and Express Delivery Services	0.1%
493190	Other Warehousing and Storage	0.1%
512240	Sound Recording Studios	0.002%
518210	Data Processing, Hosting, and Related Services	0.006%
524114	Direct Health and Medical Insurance Carriers	4.8%
531210	Offices of Real Estate Agents and Brokers	0.3%
541110	Offices of Lawyers	0.4%
541330	Engineering Services	1.4%
541370	Surveying and Mapping (except Geophysical) Services	0.1%
541380	Testing Laboratories	0.006%
541420	Industrial Design Services	0.03%
541430	Graphic Design Services	0.05%
541511	Custom Computer Programming Services	0.03%
541512	Computer Systems Design Services	1.1%
541611	Administrative Management and General Management Consulting Services	0.01%
541612	Human Resources Consulting Services	0.4%
541613	Marketing Consulting Services	0.2%
541690	Other Scientific and Technical Consulting Services	0.2%
541810	Advertising Agencies	0.1%
541930	Translation and Interpretation Services	0.2%
561320	Temporary Help Services	2.3%
561410	Document Preparation Services	0.0002%
561621	Security Systems Services (except Locksmiths)	0.3%

NAICS	NAICS Code Description	WEIGHT (Pct Share of Total Sector Dollars)
561720	Janitorial Services	1.2%
561730	Landscaping Services	0.3%
561790	Other Services to Buildings and Dwellings	0.2%
621511	Medical Laboratories	0.001%
621910	Ambulance Services	1.4%
721110	Hotels (except Casino Hotels) and Motels	0.4%
811310	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	1.4%
TOTAL		**100.0%**

Source: CHA analysis of Harris Health data

Table 3-10 presents the weighted availability results for each of the racial and gender categories. The aggregated availability of M/WBEs, weighted by Harris Health's spending in its geographic and industry markets, is 19.5% for Harris Health's contracts. This overall, weighted M/WBE availability results can be used by Harris Health to determine its overall, annual aspirational M/WBE goal.

Table 3-10
Aggregated Weighted Availability for Harris Health Contracts

Black	Hispanic	Asian	Native American	MBE	White Women	M/WBE	Non-M/WBE	Total
6.8%	4.7%	2.4%	0.3%	14.3%	5.2%	19.5%	80.5%	100.0%

Source: CHA analysis of Harris Health data; Hoovers; CHA Master Directory

F. Disparity Analysis of M/WBEs for Harris Health's Contracts

As required by strict constitutional scrutiny, we next calculated disparity ratios for each demographic group, comparing the group's total utilization compared to its total weighted availability.

A *disparity ratio* is the relationship between the utilization and weighted availability (as determined in the section above). Mathematically, this is represented by:

$$DR = U/WA$$

Where DR is the disparity ratio; U is utilization rate; and WA is the weighted availability.

The courts have held that disparity results must be analyzed to determine whether the results are "significant". There are two distinct methods to measure a result's significance. First, a "large" or "substantively significant" disparity is commonly defined by courts as utilization that is equal to or less than 80% of the availability measure. A substantively significant disparity supports the inference that the result may be caused by the disparate impacts of

discrimination.[166] Second, statistically significant disparity means that an outcome is unlikely to have occurred as the result of random chance alone. The greater the statistical significance, the smaller the probability that it resulted from random chance alone.[167] A more in-depth discussion of statistical significance is provided in Appendix C.

Substantive and Statistical Significance

‡ Connotes these values are substantively significant. Courts have ruled the disparity ratio less or equal to 80% represent disparities that substantively significant. (See Footnote 165 for more information)

* Connotes these values are statistically significant at the 0.05 level (See Appendix C for more information)

** Connotes these values are statistically significant at the 0.01 level (See Appendix C for more information)

*** Connotes these values are statistically significant at the 0.001 level (See Appendix C for more information)

Table 3-11 presents the disparity ratios for each demographic group. The disparity ratios for Blacks, Hispanics, Asians, Native Americans, MBEs, and M/WBEs are substantively significant. The ratios for M/WBEs and non-M/WBEs were statistically significant at the 0.01 and 0.001 levels, respectively.

Table 3-11
Disparity Ratios by Demographic Group

	Black	Hispanic	Asian	Native American	MBE	White Woman	M/WBE	Non-M/WBE
Disparity Ratio	0.0%‡	48.5%‡	12.2%‡	0.0%‡	18.2%‡	101.2%	40.4%**‡	114.5%***

Source: CHA analysis of Harris Health data
*** Indicates statistical significance at the 0.001 level
** Indicates statistical significance at the 0.01 level
‡ Indicates substantive significance

G. Conclusion

This Chapter presented the results of the CHA analysis of Harris Health contract data and customized availability database compiled from a variety of sources. Based on the statistical significance of the MBE and M/WBE results and the substantive significance of the results for

[166] *See* U.S. Equal Employment Opportunity Commission regulation, 29 C.F.R. §1607.4(D) ("A selection rate for any race, sex, or ethnic group which is less than four-fifths (4/5) (or eighty percent) of the rate for the group with the highest rate will generally be regarded by the Federal enforcement agencies as evidence of adverse impact, while a greater than four-fifths rate will generally not be regarded by Federal enforcement agencies as evidence of adverse impact.").

[167] A chi-square test – examining if the utilization rate was different from the weighted availability - was used to determine the statistical significance of the disparity ratio.

Blacks, Hispanics, Asians, Native Americans, MBEs, and M/WBEs, we find the data as a whole support the conclusion that M/WBE firms have not reached parity in all aspects of Harris Health's contracting activities compared to non-M/WBE firms.

IV. Analysis of Disparities in the Houston Metropolitan Area Economy

A. Introduction

The late Nobel Prize Laureate Kenneth Arrow, in his seminal paper on the economic analysis of discrimination, observed:

> Racial discrimination pervades every aspect of a society in which it is found. It is found above all in attitudes of both races, but also in social relations, in intermarriage, in residential location, and frequently in legal barriers. It is also found in levels of economic accomplishment; this is income, wages, prices paid, and credit extended.[168]

This Chapter explores the data and literature relevant to how discrimination in the Houston Metropolitan Area economy affects the ability of minorities and women to fairly and fully engage in Harris Health's contract opportunities. First, we analyze the rates at which Minority- and Woman-Owned Business Enterprises ("M/WBEs") in the Houston Metropolitan Area economy form firms and their earnings from those firms. Next, we summarize the literature on barriers to equal access to commercial credit. Finally, we summarize the literature on barriers to equal access to human capital. All three types of evidence have been found by the courts to be relevant and probative of whether a government will be a passive participant in discrimination without some type of affirmative intervention.

A key element to determine the need for Harris Health to intervene in its market through contract goals is an analysis of the extent of disparities independent of the government's intervention through its contracting affirmative action program.

The courts have repeatedly held that analysis of disparities in the rate of M/WBE formation in the government's markets as compared to similar non-M/WBEs, disparities in M/WBE earnings, and barriers to access to capital markets are highly relevant to a determination of whether market outcomes are affected by race or gender ownership status.[169] Similar analyses supported the successful legal defense of the Illinois Tollway's Disadvantaged Business Enterprise ("DBE") Program from constitutional challenge.[170]

Similarly, the Tenth Circuit Court of Appeals also upheld the U.S. Department of Transportation's DBE program, and in doing so, stated that this type of evidence

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[168] Arrow, Kenneth J., "What Has Economics to say about racial discrimination?" *Journal of Economic Perspectives*, 12, 2, (1998), 91-100.

[169] See the discussion in Chapter II of the legal standards applicable to contracting affirmative action programs.

[170] *Midwest Fence Corp. v. Illinois Department of Transportation, Illinois State Toll Highway Authority et al*, 840 F.3d 942 (7th Cir. 2016) (upholding the Illinois Tollway's program for state funded contracts modeled after Part 26 and based on CHA's expert testimony, including about disparities in the overall Illinois construction industry); *Midwest Fence Corp. v. Illinois Department of Transportation, Illinois State Toll Highway Authority et* al, 2015 WL 1396376 at * 21 (N.D. Ill.) ("Colette Holt [& Associates'] updated census analysis controlled for variables such as education, age, and occupation and still found lower earnings and rates of business formation among women and minorities as compared to white men."); *Builders Association of Greater Chicago v. City of Chicago*, 298 F.Supp.2d 725 (N.D. Ill. 2003) (holding that City of Chicago's M/WBE program for local construction contracts satisfied "compelling interest" standards using this framework).

> demonstrates the existence of two kinds of discriminatory barriers to minority subcontracting enterprises, both of which show a strong link between racial disparities in the federal government's disbursements of public funds for construction contracts and the channeling of those funds due to private discrimination. The first discriminatory barriers are to the formation of qualified minority subcontracting enterprises due to private discrimination, precluding from the outset competition for public construction contracts by minority enterprises. The second discriminatory barriers are to fair competition between minority and non-minority subcontracting enterprises, again due to private discrimination, precluding existing minority firms from effectively competing for public construction contracts. The government also presents further evidence in the form of local disparity studies of minority subcontracting and studies of local subcontracting markets after the removal of affirmative action programs… The government's evidence is particularly striking in the area of the race-based denial of access to capital, without which the formation of minority subcontracting enterprises is stymied.[171]

Business discrimination studies and lending studies are relevant and probative because they show a strong link between the disbursement of public funds and the channeling of those funds due to private discrimination. In unanimously upholding the USDOT DBE Program, federal courts agree that disparities between the earnings of minority-owned firms and similarly situated non-minority-owned firms and the disparities in commercial loan denial rates between Black business owners compared to similarly situated non-minority business owners are strong evidence of the continuing effects of discrimination.[172] "Evidence that private discrimination results in barriers to business formation is relevant because it demonstrates that M/WBEs are precluded *at the outset* from competing for public construction contracts. Evidence of barriers to fair competition is also relevant because it again demonstrates that *existing* M/WBEs are precluded from competing for public contracts."[173]

To explore the question of whether firms owned by non-Whites and White women face disparate treatment in Harris Health's marketplace outside of the agency's contracts, we examined the U.S. Bureau of the Census' *American Community Survey* ("ACS") which allows us to analyze disparities using individual entrepreneurs as the basic unit of analysis.[174] We used the Houston metropolitan area as the geographic unit of analysis.

We found disparities in wages, business earnings and business formation rates for minorities and women in all industry sectors in Harris Health's marketplace.[175]

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[171] *Adarand Constructors, Inc. v. Slater*, 228 F.3d 1147, 1168-1169 (10th Cir. 2000), *cert. granted then dismissed as improvidently gran*ted, 532 U.S. 941 (2001).

[172] *Northern Contracting, Inc. v. Illinois Department of Transportation,* 2005 U.S. Dist. LEXIS 19868, at *64 (Sept. 8, 2005).

[173] *Id*.

[174] Data from 2015 - 2019 American Community Survey are the most recent for a five-year period.

[175] Possible disparities in wages is important to explore because of the relationship between wages and business formation. Research by Alicia Robb and others indicate non-White firms rely on their own financing to start businesses compared to White firms who rely more heavily on financing provided by financial institutions. To the extent non-Whites face discrimination in the labor market, they would have reduced capacity to self-finance their entrepreneurial efforts and, hence, impact business formation. *See, for example,* Robb's "Access to Capital among Young Firms, Minority-owned Firms, Woman-owned Firms, and High-tech Firms" (2013), https://www.sba.gov/sites/default/files/files/rs403tot(2).pdf.

B. Disparate Treatment in the Houston Metropolitan Marketplace: Evidence from the Census Bureau's 2015 - 2019 American Community Survey

As discussed in the beginning of this Chapter, the key question is whether firms owned by non-Whites and White women face disparate treatment in the marketplace without the intervention of a business diversity program. In this section, we use the Census Bureau's ACS data to explore this and other aspects of this question. One element asks if demographic differences exist in the wage and salary income received by private sector workers. Beyond the results of bias in the incomes generated in the private sector, this exploration is important for the issue of possible variations in the rate of business formation by different demographic groups. One of the determinants of business formation is the pool of financial capital at the disposal of the prospective entrepreneur. The size of this pool is related to the income level of the individual either because the income level impacts the amount of personal savings that can be used for start-up capital, or the income level affects one's ability to borrow funds. Consequently, if particular demographic groups receive lower wages and salaries, then they would have access to a smaller pool of financial capital and thus reduced likelihood of business formation.

The *American Community Survey Public Use Microdata Sample* ("PUMS") is useful in addressing these issues. The ACS is an annual survey of one percent of the population and the PUMS provides detailed information at the individual level. In order to obtain robust results from our analysis, we used the file that combines the most recent data available for years 2015 through 2019.[176] With this rich data set, our analysis can establish with greater certainty any causal links between race, gender and economic outcomes.

The Census Bureau classifies Whites, Blacks, Native Americans, and Asians as racial groupings. CHA developed a fifth grouping, "Other", to capture individuals who are not a member of the above four racial categories. In addition, Hispanics are an ethnic category whose members could be of any race, *e.g.*, Hispanics could be White or Black. In order to avoid double counting – *i.e.*, an individual could be counted once as Hispanic and once as White – CHA developed non-Hispanic subset racial categories: non-Hispanic Whites; non-Hispanic Blacks; non-Hispanic Native Americans; non-Hispanic Asians; and non-Hispanic Others. When those five groups are added to the Hispanic group, the entire population is counted and there is no double-counting. When Whites are disaggregated into White men and White women, those groupings are non-Hispanic White men and non-Hispanic White women. For ease of exposition, the groups in this report are referred to as Black, Native American, Asian, Other, White women, and White men, while the actual content is the non-Hispanic subset of these racial groups.

Often, the general public sees clear associations between race, gender, and economic outcomes and assumes this association reflects a tight causal connection. However, economic outcomes are determined by a broad set of factors including, and extending beyond, race and gender. To provide a simple example, two people who differ by race or gender may receive different wages. This difference may simply reflect that the individuals work in different industries. If this underlying difference is not known, one might assert the wage differential is the result of race or gender difference. To better understand the impact of race or gender on

[176] Initially, the Census Bureau contacted approximately 3.5M households. For the analysis reported in this Chapter, we examined over 47,000 observations. For more information about the ACS PUMS, see https://www.census.gov/programs-surveys/acs/.

wages, it is important to compare individuals of different races or genders who work in the same industry. Of course, wages are determined by a broad set of factors beyond race, gender, and industry. With the ACS PUMS, we have the ability to include a wide range of additional variables such as age, education, occupation, and state of residence in the analysis.

We employ a multiple regression statistical technique to process this data. This methodology allows us to perform two analyses: an estimation of how variations in certain characteristics (called independent variables) will impact the level of some particular outcome (called a dependent variable), and a determination of how confident we are that the estimated variation is statistically different from zero. We have provided a more detailed explanation of this technique in Appendix A.

With respect to the first result of regression analysis, we examine how variations in the race, gender, and industry of individuals impact the wages and other economic outcomes received by individuals. The technique allows us to determine the effect of changes in one variable, assuming that the other determining variables are the same. That is, we compare individuals of different races, but of the same gender and in the same industry; or we compare individuals of different genders, but of the same race and the same industry; or we compare individuals in different industries, but of the same race and gender. We determine the impact of changes in one variable (*e.g.*, race, gender or industry) on another variable (wages), "controlling for" the movement of any other independent variables.

With respect to the second result of regression analysis, we determine the statistical significance of the relationship between the dependent variable and independent variable. For example, the relationship between gender and wages might exist (*e.g.*, holding all other factors constant, women earn less than men), but we find that it is not statistically different from zero. In this case, we are not confident that there is not any relationship between the two variables. If the relationship is not statistically different from zero, then a variation in the independent variable has no impact on the dependent variable. The regression analysis allows us to say with varying degrees of statistical confidence that a relationship is different from zero. If the estimated relationship is statistically significant at the 0.05 level, that indicates that we are 95% confident that the relationship is different from zero; if the estimated relationship is statistically significant at the 0.01 level, that indicates that we are 99% confident that the relationship is different from zero; if the estimated relationship is statistically significant at the 0.001 level, that indicates that we are 99.9% confident that the relationship is different from zero.[177]

In the following presentation of results, each sub-section first reports data on the share of a demographic group that forms a business (business formation rates); the probabilities that a demographic group will form a business relative to White men (business formation probabilities); the differences in wages received by a demographic group relative to White men (wage differentials); and the differences in business earnings received by a demographic group relative to White men (business earnings differentials). Because the ACS contained limited observations for certain groups in particular industries, we were unable to provide reliable estimates for business outcomes for these groups. However, there were always sufficient observations in the sample of wage earners in each group in each industry to permit us to develop reliable estimates.

[177] Most social scientists do not endorse utilizing a confidence level of less than 95%. Appendix C explains more about statistical significance.

1. All Industries Combined in the Houston Metropolitan Area

One method of exploring differences in economic outcomes is to examine the rate at which different demographic groups form businesses. We developed these business formation rates using data from the U.S. Bureau of the Census' ACS for the Houston-The Woodlands-Sugarland Metropolitan Statistical Area.[178] Throughout this analysis of ACS data, there were not sufficient observations to make reliable estimates for business outcomes *(i.e.*, business formation rates; business formation probabilities; and business earnings) for Native Americans and Others. Consequently, for these groups in the tables, the values for these groups will be denoted as "-----". Table 4-1 presents these results.

The business formation rate represents the share of a population that forms businesses. When developing industry-specific rates, we examine the population that works in that particular industry and identify the share of that sub-population forms businesses. For example, Table 4-1 indicates that 2.5% of Blacks forms businesses; this is less than the 5.2% business formation rate for White men. The Table indicates that White men have higher business formation rates compared to non-Whites and White women except for Asians. Table 4-2 utilizes probit regression analysis to examine the probability of forming a business after controlling for age, education, industry and occupation.[179] This Table indicates that, once again with the exception of Asians, non-Whites and White women are less likely to form businesses compared to White men; the reduced probability ranges from 1.5% for White women to 2.0% for Blacks. These results were statistically significant at the 0.01 level for Blacks, Hispanics, and White women. Asians were 0.6% more likely to form businesses compared to White men; however, this finding was not statistically significant.

With respect to the interpretation of the level of statistical significance of a result, as indicated in the latter part of the previous section, we are exploring whether the result of the regression analysis is statistically different from zero; if the finding is statistically significant, we also indicate the level of statistical confidence at which the result is accurate. Going back to Table 4-2, we find that the probability that Blacks form businesses is 2.0% less than the probability that White men form business. The statistical significance of this result is at the 0.001 level, which means we are 99.9% statistically confident the result is true. If a result is non-zero but the result is not statistically significant – such as the case for Asians, then we cannot rule out zero being the true result. Note: this does not mean the result is wrong, only that there is not a statistically significant level of confidence in the result.

Another way to measure equity is to examine how the wage and salary incomes and business earnings of particular demographic groups compare to White men. Multiple regression statistical techniques allowed us to examine the impact of race and gender on economic outcomes while controlling for education, age, industry, and occupation.[180] Tables 4-3 and 4-4 present this data on wage and salary incomes and business earnings respectively. Table 4-3 indicates that non-Whites and White women earn less than White men. The reduction in earnings ranges from 23.3% (for Hispanics) to 38.4% (for Blacks) and all of the results are statistically significant at the 0.001 level. Table 4-4 indicates that non-Whites and White women receive business earnings less than White men. The reduction in earnings ranges from 51.4%

[178] This is the formal name for the nine-county MSA, which consists of the counties of Austin; Brazoria; Chambers; Fort Bend; Galveston; Harris; Liberty; Montgomery; and Waller.
[179] Appendix B provides a "Further Explanation of Probit Regression Analysis."
[180] See Appendix A for more information on multiple regression statistical analysis.

(for White women) to 20.6% (for Asians). The results for Hispanics and White women were statistically significant.

Table 4-1 Business Formation Rates
All Industries, 2015 - 2019[181]

Demographic Group	Business Formation Rates
Black	2.5%
Hispanic	2.2%
Native American	-----
Asian/Pacific Islander	5.6%
Other	-----
White Women	3.2%
Non-White Male	2.9%
White Male	5.2%

Source: CHA calculations from the American Community Survey

Table 4-2 Business Formation Probabilities Relative to White Males
All Industries, 2015 - 2019

Demographic Group	Probability of Forming a Business Relative to White Men
Black	-2.0%***
Hispanic	-1.6%***
Native American	-----
Asian/Pacific Islander	0.6%
Other	-----
White Women	-1.5%***

Source: CHA calculations from the American Community Survey
*** Indicates statistical significance at the 0.001 level

Table 4-3 Wage Differentials for Selected Groups Relative to White Men
All Industries, 2015 - 2019

Demographic Group	Wages Relative to White Men (% Change)
Black	-38.4%***
Hispanic	-23.3%***
Native American	-26.9%***
Asian/Pacific Islander	-37.9%***

[181] Statistical significance tests were not conducted on basic business formation rates.

Demographic Group	Wages Relative to White Men (% Change)
Other	-34.7%***
White Women	-34.6%***

Source: CHA calculations from the American Community Survey
*** Indicates statistical significance at the 0.001 level

Table 4-4 Business Earnings Differentials for Selected Groups Relative to White Men
All Industries

Demographic Group	Earnings Relative to White Men (% Change)
Black	-28.1%
Hispanic	-32.0%*
Native American	-----
Asian/Pacific Islander	-20.6%
Other	-----
White Women	-51.4%***

Source: CHA calculations from the American Community Survey
*** Indicates statistical significance at the 0.001 level
* Indicates statistical significance at the 0.05 level

2. The Construction Industry in the Houston Metropolitan Area

Table 4-5 indicates that White men have higher business formation rates compared to non-Whites and White women with the exception of Asians. Similarly, Table 4-6 indicates that non-Whites (except for Asians) and White women are less likely to form businesses compared to similarly situated White men. The reduced probabilities of business formation ranged from 3.4% to 0.1%. None of these coefficients were statistically significant. Table 4-7 indicates that non-Whites and White women earn less than White men. The statistically significant reductions in earnings range from 52.1% to 17.7%. Five of these coefficients were statistically significant. Table 4-8 indicates that none of the business coefficients were statistically significant.[182]

Table 4-5 Business Formation Rates,
Construction, 2015 - 2019

Demographic Group	Business Formation Rates
Black	2.5%
Hispanic	3.1%
Native American	-----
Asian/Pacific Islander	9.1%

[182] The proper way to interpret a coefficient that is less than negative 100% (e.*g*., the value of the coefficients for Asians and White women in Table 4-8), is the percentage amount White men earn that is more than the group in question. In this case, White men earn 287% more than Asians and 219% more that White women.

Demographic Group	Business Formation Rates
Other	-----
White Women	6.8%
Non-White Male	3.4%
White Male	8.6%

Source: CHA calculations from the American Community Survey

Table 4-6 Business Formation Probability Differentials for Selected Groups Relative to White Men
Construction, 2015 - 2019

Demographic Group	Probability of Forming a Business Relative to White Men
Black	-3.4%
Hispanic	-1.9%
Native American	-----
Asian/Pacific Islander	0.9%
Other	-----
White Women	-0.1%

Source: CHA calculations from the American Community Survey

Table 4-7 Wage Differentials for Selected Groups Relative to White Men
Construction, 2015 - 2019

Demographic Group	Wages Relative to White Men (% Change)
Black	-39.1%***
Hispanic	-23.5%***
Native American	-52.1%*
Asian/Pacific Islander	-17.7%**
Other	-39.8%
White Women	-47.1%***

Source: CHA calculations from the American Community Survey
*** Indicates statistical significance at the 0.001 level
** Indicates statistical significance at the 0.01 level
* Indicates statistical significance at the 0.05 level

Table 4-8 Business Earnings Differentials for Selected Groups Relative to White Men
Construction, 2015 - 2019

Demographic Group	Earnings Relative to White Men (% Change)
Black	-21.7%
Hispanic	-87.0%

Demographic Group	Earnings Relative to White Men (% Change)
Native American	-----
Asian/Pacific Islander	-287.0%***
Other	-----
White Women	-219.0%*

Source: CHA calculations from the American Community Survey
*** Indicates statistical significance at the 0.001 level
* Indicates statistical significance at the 0.05 level

3. The Construction-Related Services Industry in the Houston Metropolitan Area

In this industry, there were insufficient observations to produce a reliable estimate for Hispanics. So, as with Native Americans and Others, the value of business outcomes for Hispanics is represented by "-----". Table 4-9 indicates that White males had a higher business formation rate than Asians and White women but a lower business formation rate than Blacks. In Table 4-10, we see that Asians and White women have a lower business formation probability than White men; Blacks have a higher business formation probability than White men. None of these coefficients were statistically significant. Table 4-11 present data on wage differentials. Blacks, Hispanics, Asians, and White women earn lower wages than White men. The differentials range from 35.2% to 208% and all of these coefficients are statistically significant at the 0.001 level. Table 4-12 indicates the only statistically significant coefficient is that for Blacks; here business earnings for White men are 353% more than Blacks and the statistical significance is at the 0.05 level.

Table 4-9 Business Formation Rates
Construction-Related Services, 2015 - 2019

Demographic Group	Business Formation Rates
Black	5.7%
Hispanic	-----
Native American	-----
Asian/Pacific Islander	2.8%
Other	-----
White Women	1.9%
Non-White Male	2.9%
White Male	5.0%

Source: CHA calculations from the American Community Survey

Table 4-10 Business Formation Probability Differentials for Selected Groups Relative to White Men
Construction-related Services, 2015 - 2019

Demographic Group	Probability of Forming a Business Relative to White Men
Black	3.2%
Hispanic	-----
Native American	-----
Asian/Pacific Islander	-1.6%
Other	-----
White Women	-0.8%

Source: CHA calculations from the American Community Survey

Table 4-11 Wage Differentials for Selected Groups Relative to White Men
Construction-Related Services, 2015 - 2019

Demographic Group	Wages Relative to White Men (% Change)
Black	-35.2%***
Hispanic	-27.6%***
Native American	7.5%
Asian/Pacific Islander	-20.8%***
Other	13.6%
White Women	-31.9%***

Source: CHA calculations from the American Community Survey
*** Indicates statistical significance at the 0.001 level

Table 4-12 Business Earnings Differentials for Selected Groups Relative to White Men
Construction-related Services, 2015 - 2019

Demographic Group	Earnings Relative to White Men (% Change)
Black	-353.0%*
Hispanic	-----
Native American	-----
Asian/Pacific Islander	-31.4%
Other	-----
White Women	-88.3%

Source: CHA calculations from the American Community Survey
* Indicates statistical significance at the 0.05 level

4. The Goods Industry in Houston Metropolitan Area

Table 4-13 indicates that White men have higher business formation rates than all non-Whites and White women except for Asians. As presented in Table 4-14, Asians are the only group whose coefficient is statistically significant (at the 0.05 level) and it is positive, indicating that Asians have a 3.9% greater probability of forming a business compared to White men. Table 4-15 indicates that statistically significant results are found for four groups (Blacks; Hispanics; Asians; and White women) and all indicate lower wages relative to White men. The coefficients range from 42.4% to 22.6%. Table 4-16 indicates that while business earnings for each group was less than White men, none were statistically significant.

Table 4-13 Business Formation Rates
Goods, 2015 - 2019

Demographic Group	Business Formation Rates
Black	2.2%
Hispanic	1.8%
Native American	-----
Asian/Pacific Islander	11.0%
Other	-----
White Women	2.1%
Non-White Male	2.9%
White Male	4.4%

Source: CHA calculations from the American Community Survey

Table 4-14 Business Formation Probabilities Relative to White Males
Goods, 2015 - 2019

Demographic Group	Probability of Forming a Business Relative to White Men
Black	-0.6%
Hispanic	0.04%
Native American	-----
Asian/Pacific Islander	3.9%*
Other	-----
White Women	-1.0%

Source: CHA calculations from the American Community Survey
* Indicates statistical significance at the 0.05 level

Table 4-15 Wage Differentials for Selected Groups Relative to White Men
Goods, 2015 - 2019

Demographic Group	Wages Relative to White Men (% Change)
Black	-42.4%***
Hispanic	-22.6%***
Native American	25.6%
Asian/Pacific Islander	-38.9%***
Other	-34.9%
White Women	-32.2%***

Source: CHA calculations from the American Community Survey
*** Indicates statistical significance at the 0.001 level

Table 4-16 Business Earnings Differentials for Selected Groups Relative to White Men
Goods, 2015 - 2019

Demographic Group	Earnings Relative to White Men (% Change)
Black	-17.6%
Hispanic	-7.9%
Native American	-----
Asian/Pacific Islander	-2.5%
Other	-----
White Women	-218.0%

Source: CHA calculations from the American Community Survey

5. The Services Industry in Houston Metropolitan Area

Table 4-17 indicates that White men have higher business formation rates compared to non-Whites and White women. Table 4-18 indicates that non-Whites and White women are less likely to form businesses compared to similarly situated White men with the values ranging from 2.6% and 0.4% and three of the coefficients are statistically significant. Table 4-19 indicates that non-Whites and White women earn less than White men – ranging from 38.4% to 19.7% – and these coefficients were statistically significant at the 0.001 level. Table 4-20 indicates that non-White firms and White woman firms earned less than White male-owned firms; however only the coefficient for Hispanics was statistically significant.

Table 4-17 Business Formation Rates
Services, 2015 - 2019

Demographic Group	Business Formation Rates
Black	3.4%
Hispanic	2.5%
Native American	-----

Demographic Group	Business Formation Rates
Asian/Pacific Islander	5.9%
Other	-----
White Women	4.2%
Non-White Male	3.6%
White Male	7.8%

Source: CHA calculations from the American Community Survey

Table 4-18 Business Formation Probability Differentials for Selected Groups Relative to White Men Services, 2015 - 2019

Demographic Group	Probability of Forming a Business Relative to White Men
Black	-2.6%***
Hispanic	-2.1%**
Native American	-----
Asian/Pacific Islander	-0.4%
Other	-----
White Women	-2.1%***

Source: CHA calculations from the American Community Survey
*** Indicates statistical significance at the 0.001 level
** Indicates statistical significance at the 0.01 level

Table 4-19 Wage Differentials for Selected Groups Relative to White Men Services, 2015 - 2019

Demographic Group	Wages Relative to White Men (% Change)
Black	-32.9%***
Hispanic	-19.7%***
Native American	-38.4%***
Asian/Pacific Islander	-31.7%***
Other	-36.9%***
White Women	-28.7%***

Source: CHA calculations from the American Community Survey
*** Indicates statistical significance at the 0.001 level

Table 4-20 Business Earnings Differentials for Selected Groups Relative to White Men
Services, 2015 - 2019

Demographic Group	Earnings Relative to White Men (% Change)
Black	-10.3%
Hispanic	-45.5%*
Native American	-----
Asian/Pacific Islander	-25.7%
Other	-----
White Women	-48.9%

Source: CHA calculations from the American Community Survey
* Indicates statistical significance at the 0.01 level

6. The Information Technology Industry in the Houston Metropolitan Area

In this industry, there were insufficient observations to produce a reliable estimate for Blacks and Hispanics. So, as with Native Americans and Others, the value of business outcomes for Hispanics is represented by "-----". Table 4-21 indicates that White men have higher business formation rates compared to Asians and White women. Table 4-22 indicates that none of the coefficients were statistically significant. Table 4-23 indicates that non-Whites and White women earn less than White men (with the values ranging from 29.6% to 13.7%) and the coefficients for Blacks, Hispanics, Asians, and White women were statistically significant. Table 4-24 indicates that two business coefficients (Asian/Pacific Islanders; White women) were not statistically significant.

Table 4-21 Business Formation Rates
Information Technology, 2015 - 2019

Demographic Group	Business Formation Rates
Black	-----
Hispanic	-----
Native American	-----
Asian/Pacific Islander	5.2%
Other	-----
White Women	2.9%
Non-White Male	3.8%
White Male	6.2%

Source: CHA calculations from the American Community Survey

Table 4-22 Business Formation Probability Differentials for Selected Groups Relative to White Men
Information Technology, 2015 - 2019

Demographic Group	Probability of Forming a Business Relative to White Men
Black	-----
Hispanic	-----
Native American	-----
Asian/Pacific Islander	-1.2%
Other	-----
White Women	-2.0%

Source: CHA calculations from the American Community Survey

Table 4-23 Wage Differentials for Selected Groups Relative to White Men
Information Technology, 2015 - 2019

Demographic Group	Wages Relative to White Men (% Change)
Black	-17.4%**
Hispanic	-29.6%***
Native American	-20.3%
Asian/Pacific Islander	-13.7%**
Other	-18.0%
White Women	-17.6%**

Source: CHA calculations from the American Community Survey
*** Indicates statistical significance at the 0.001 level
** Indicates statistical significance at the 0.01 level

Table 4-24 Business Earnings Differentials for Selected Groups Relative to White Men
Information Technology, 2015 - 2019

Demographic Group	Earnings Relative to White Men (% Change)
Black	-----
Hispanic	-----
Native American	-----
Asian/Pacific Islander	-199.0%
Other	-----
White Women	-91.3%

Source: CHA calculations from the American Community Survey

7. Conclusion

Overall, the data presented in the above tables indicate that non-Whites and White women form businesses less than White men and their wage and business earnings are less than those of White men. These analyses support the conclusion that barriers to business success do affect non-Whites and White women.

C. Disparate Treatment in the Houston Metropolitan Area Marketplace: Evidence from the Census Bureau's 2017 Annual Business Survey

We further examined whether non-Whites and White women have disparate outcomes when they are active in the Houston Metropolitan Area marketplace. This question is operationalized by exploring if the share of business receipts, number of firms, and payroll for firms owned by non-Whites and White women is greater than, less than, or equal to the share of all firms owned by non-Whites and White women.

To answer this question, we examined the U.S. Bureau's Annual Business Survey ("ABS"). The ABS supersedes the more well-known Survey of Business Owners ("SBO"). The SBO was last conducted in 2012 and historically has been reported every five years. In contrast, the ABS was first conducted in 2017 and it is the Census Bureau's goal to release results annually. As of the writing of this report, the most recent complete ABS contains 2017 data. The ABS surveyed about 850,000 employer firms and collected data on a variety of variables documenting ownership characteristics including race, ethnicity, and gender. It also collected data on the firms' business activity with variables marking the firms' number of employees, payroll size, sales and industry.[183] For this analysis, we examined firms in the State of Texas. The state was the geographic unit of analysis because the ABS does not present data at the sub-state level.

With these data, we grouped the firms into the following ownership categories:[184,185]

- Hispanics
- non-Hispanic Blacks
- non-Hispanic Native Americans
- non-Hispanic Asians
- non-Hispanic White women
- non-Hispanic White men
- Firms equally owned by non-Whites and Whites
- Firms equally owned by men and women
- Firms that were either publicly-owned or where the ownership could not be classified

For purposes of this analysis, the first four groups were aggregated to form a non-White category. Since our interest is the treatment of non-White-owned firms and White woman-owned firms, the last four groups were aggregated to form one category. To ensure this aggregated group is described accurately, we label this group "not non-White/non-White women". While this label is cumbersome, it is important to be clear that this group includes

[183] For more information on the Annual Business Survey see https://www.census.gov/programs-surveys/abs/about.html.
[184] Race and gender labels reflect the categories used by the Census Bureau.
[185] For expository purposes, the adjective "non-Hispanic" will not be used in this Chapter; the reader should assume that any racial group referenced does not include members of that group who identify ethnically as Hispanic.

firms whose ownership extends beyond White men, such as firms that are not classifiable or that are publicly traded and thus have no racial ownership. In addition to the ownership demographic data, the Survey also gathers information on the sales, number of paid employees, and payroll for each reporting firm.

We analyzed the ABS data on the following sectors:

- Construction
- Professional, Scientific and Technical Services
- Goods
- Other services

The ABS data – a sample of all businesses, not the entire universe of all businesses – required some adjustments. In particular, we had to define the sectors at the two-digit North American Industry Classification System ("NAICS") code level, and therefore our sector definitions do not exactly correspond to the definitions used to analyze Harris Health's contract data in Chapter IV, where we are able to determine sectors at the six-digit NAICS code level. At a more detailed level, the number of firms sampled in particular demographic and sector cells may be so small that the Census Bureau does not report the information, either to avoid disclosing data on businesses that can be identified or because the small sample size generates unreliable estimates of the universe. We therefore report two-digit data.

Table 4-25 presents information on which NAICS codes were used to define each sector.

Table 4-25 Two-Digit NAICS Code Definition of Sector

ABS Sector Label	Two-Digit NAICS Codes
Construction	23
Professional, Scientific, and Technical Services[186]	54
Goods	31,42, 44
Other Services	48, 52, 53, 56, 61, 62, 71, 72, 81

The balance of this Chapter reports the findings of the ABS analysis.

1. All Industries

For a baseline analysis, we examined all industries. Table 4-26 presents data on the percentage share that each group has of the total of each of the following four business outcomes:

- The number of firms with employees (employer firms)
- The sales and receipts of all employer firms
- The number of paid employees

[186] This sector includes (but is broader than just) construction-related services. It is impossible to narrow this category to construction-related services without losing the capacity to conduct race and gender specific analyses.

- The annual payroll of employer firms

Panel A of Table 4-26 presents data for the four basic non-White racial groups:

- Black
- Hispanic
- Native American
- Asian

Panel B of Table 4-26 presents data for the following types of firm ownership:

- Non-White
- White women
- Not non-White/non-White women[187]

Categories in the second panel are mutually exclusive. Hence, firms that are non-White and equally owned by men and women are classified as non-White and firms that are equally owned by non-Whites and Whites and equally owned by men and women are classified as equally owned by non-Whites and Whites.

Since the central issue is the possible disparate treatment of non-White firms and White woman firms, we calculate three disparity ratios each for Black, Hispanic, Asian, Native American, non-White, and White woman firms respectively (a total of 18 ratios), presented in Table 4-27:

- Ratio of sales and receipts share for all employer firms over the share of total number of all employer firms.
- Ratio of sales and receipts share for employer firms over the share of total number of employer firms.
- Ratio of annual payroll share over the share of total number of employer firms.

For example, the disparity ratio of sales and receipts share for all firms over the share of total number of all employer firms for Black firms is 13.0% (as shown in Table 4-26). This is derived by taking the Black share of sales and receipts for all employer firms (0.3%) and dividing it by the Black share of total number of all employer firms (2.2%) that are presented in Table 4-26.[188] If Black-owned firms earned a share of sales equal to their share of total firms, the disparity index would have been 100%. An index less than 100% indicates that a given group is being utilized less than would be expected based on its availability, and courts have adopted the Equal Employment Opportunity Commission's "80% rule" that a ratio less than 80% presents a

[187] Again, while a cumbersome nomenclature, it is important to remain clear that this category includes firms other than those identified as owned by White men.

[188] Please note that while the numbers presented in Table 4-26 are rounded to the first decimal place, the calculations resulting in the numbers presented in Table 4-27 are based on the actual (non-rounded) figures. Therefore, the Black ratio presented in Table 4-27 of 13.0% (as presented in Table 4-27) is not the same figure as that which would be derived when you divided 0.3 by 2.2 (the numbers presented in Table 4-26).

prima facie case of discrimination.[189] All of the 18 disparity ratios for non-White firms and White woman firms are below this threshold.[190]

Table 4-26 Demographic Distribution of Sales and Payroll Data – Aggregated Groups All Industries, 2017

	Number of Firms with Paid Employees (Employer Firms)	Sales & Receipts - All Firms with Paid Employees (Employer Firms) ($1,000)	Number of Paid Employees	Annual payroll ($1,000)
Panel A: Distribution of Non-White Firms				
Black	2.2%	0.3%	1.1%	0.6%
Hispanic	12.2%	2.2%	5.7%	3.4%
Asian	11.3%	2.1%	4.1%	2.4%
Native American	0.4%	0.1%	0.2%	0.1%
Panel B: Distribution of All Firms				
Non-White	26.1%	4.7%	11.1%	6.5%
White Women	13.6%	2.7%	5.8%	4.5%
Not Non-White/Not White Women	60.3%	92.6%	83.1%	89.0%
All Firms	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: CHA calculations from American Business Survey

[189] 29 C.F.R. §1607.4(D) ("A selection rate for any race, sex, or ethnic group which is less than four-fifths (4/5) (or 80%) of the rate for the group with the highest rate will generally be regarded by the Federal enforcement agencies as evidence of adverse impact, while a greater than four-fifths rate will generally not be regarded by Federal enforcement agencies as evidence of adverse impact.").

[190] Because the data in the subsequent tables are presented for descriptive purposes, significance tests on these results are not conducted.

Table 4-27 Disparity Ratios of Firm Utilization Measures
All Industries, 2017

	Ratio of Sales to Number of Employer Firms	Ratio of Employees to Number of Employer Firms	Ratio of Payroll to Number of Employer Firms
Panel A: Disparity Ratio for Non-White Firms			
Black	13.0%	50.5%	26.2%
Hispanic	18.0%	46.7%	27.5%
Asian	18.5%	36.6%	21.6%
Native American	22.1%	42.8%	30.0%
Panel B: Disparity Ratios for All Firms			
Non-White	17.8%	42.6%	24.9%
White Women	19.9%	42.9%	33.2%
Not Non-White/Not White Women	153.6%	137.7%	147.6%
All Firms	**100.0%**	**100.0%**	**100.0%**

Source: CHA calculations from American Business Survey

This same approach was used to examine the Construction, Professional, Scientific and Technical Services, Goods, and Other Services sectors. The following are summaries of the results of the disparity analyses.

2. Construction

Of the 18 disparity ratios for non-White firms and White woman firms presented in Table 4-28, 17 fall under the 80% threshold.

Table 4-28 Disparity Ratios – Aggregated Groups
Construction, 2017

	Ratio of Sales to Number of Firms (All Firms)	Ratio of Sales to Number of Firms (Employer Firms)	Ratio of Payroll to Number of Employer Firms
Panel A: Disparity Ratios for Non-White Firms			
Black	48.4%	58.0%	44.7%
Hispanic	44.3%	52.3%	39.9%
Asian	35.9%	33.9%	29.8%
Native American	50.5%	69.2%	59.3%

	Ratio of Sales to Number of Firms (All Firms)	Ratio of Sales to Number of Firms (Employer Firms)	Ratio of Payroll to Number of Employer Firms
Panel B: Disparity Ratios for All Firms			
Non-White	44.1%	51.8%	40.0%
White Women	62.9%	84.0%	74.6%
Not Non-White/Not White Women	119.4%	114.9%	119.2%
All Firms	**100.0%**	**100.0%**	**100.0%**

Source: CHA calculations from American Business Survey

3. Professional, Scientific and Technical Services

Of the 18 disparity ratios for non-White firms and White woman firms presented in Table 4-29, all 18 fall under the 80% threshold.

Table 4-29 Disparity Ratios – Aggregated Groups
Professional, Scientific and Technical Services, 2017

	Ratio of Sales to Number of Firms (All Firms)	Ratio of Sales to Number of Firms (Employer Firms)	Ratio of Payroll to Number of Employer Firms
Panel A: Disparity Ratios for Non-White Firms			
Black	33.0%	34.9%	25.5%
Hispanic	34.7%	44.2%	26.8%
Asian	43.3%	44.4%	39.1%
Native American	34.4%	33.3%	24.9%
Panel B: Disparity Ratios for All Firms			
Non-White	38.5%	43.1%	32.3%
White Women	42.0%	44.1%	32.0%
Not Non-White/Not White Women	135.9%	133.8%	140.6%
All Firms	**100.0%**	**100.0%**	**100.0%**

Source: CHA calculations from American Business Survey

4. Goods

Of the 18 disparity ratios for non-White firms and White woman firms presented in Table 4-30, all 18 fall under the 80% threshold.

Table 4-30 Disparity Ratios – Aggregated Groups
Goods, 2017

	Ratio of Sales to Number of Firms (All Firms)	Ratio of Sales to Number of Firms (Employer Firms)	Ratio of Payroll to Number of Employer Firms
Panel A: Disparity Ratios for Non-White Firms			
Black	13.5%	25.8%	20.9%
Hispanic	14.3%	29.8%	23.4%
Asian	12.7%	21.4%	14.3%
Native American	19.2%	42.7%	39.2%
Panel B: Disparity Ratios for All Firms			
Non-White	13.4%	24.9%	18.1%
White Women	13.8%	34.4%	30.8%
Not Non-White/Not White Women	158.7%	148.9%	152.8%
All Firms	**100.00%**	**100.00%**	**100.00%**

Source: CHA calculations from American Business Survey

5. Services

Of the 18 disparity ratios for non-White firms and White woman firms presented in Table 4-31, all 18 fall under the 80% threshold.

Table 4-31 Disparity Ratios – Aggregated Groups
Services, 2017

	Ratio of Sales to Number of Firms (All Firms)	Ratio of Sales to Number of Firms (Employer Firms)	Ratio of Payroll to Number of Employer Firms
Panel A: Disparity Ratios for Non-White Firms			
Black	21.9%	59.3%	33.2%
Hispanic	24.6%	55.7%	34.5%
Asian	23.7%	44.4%	26.4%
Native American	23.3%	51.1%	24.7%

	Ratio of Sales to Number of Firms (All Firms)	Ratio of Sales to Number of Firms (Employer Firms)	Ratio of Payroll to Number of Employer Firms
Panel B: Disparity Ratios for All Firms			
Non-White	23.9%	51.3%	30.9%
White Women	28.5%	46.8%	36.4%
Not Non-White/Not White Women	157.6%	138.7%	152.0%
All Firms	**100.0%**	**100.0%**	**100.0%**

Source: CHA calculations from American Business Survey

6. Conclusion

Overall, the analysis of the ABS data presented in the above tables indicate that non-Whites and White women share of all employer firms is greater than their share of sales, payrolls, and employees. This supports the conclusion that barriers to business success disproportionately affect non-Whites and White women.

D. Evidence of Disparities in Access to Business Capital

Capital is the lifeblood of any business. Participants in the anecdotal data collection universally agreed to this fundamental fact. The interviews with business owners conducted as part of this Study confirmed that small firms, especially minority- and woman-owned firms, had difficulties obtaining needed working capital to perform on Hospital District contracts and subcontracts, as well as expand the capacities of their firms. As demonstrated by the analyses of Census Bureau data, above, discrimination may even prevent firms from forming in the first place.

There are extensive federal agency reports and much scholarly work on the relationship between personal wealth and successful entrepreneurship. There is a general consensus that disparities in personal wealth translate into disparities in business creation and ownership.[191] The most recent research highlights the magnitude of the COVID-19 pandemic's disproportionate impact on minority-owned firms.

1. Federal Reserve Board Small Business Credit Surveys[192]

The Development Office of the 12 Reserve Banks of the Federal Reserve System has conducted Small Business Credit Surveys ("SBCS") to develop data on small business performance and financing needs, decisions, and outcomes.

[191] *See*, *e.g.*, Evans, David S. and Jovanovic, Boyan, "An Estimated Model of Entrepreneurial Choice under Liquidity Constraints," *Journal of Political Economy*, Vol. 97, No. 4, 1989, pp. 808-827; David S. Evans and Linda S. Leighton, "Some empirical aspects of entrepreneurship," *The American Economic Review*, Vol. 79, No. 3, 1989, pp. 519-535.

[192] This survey offers baseline data on the financing and credit positions of small firms before the onset of the pandemic. *See fedsmallbusiness.org.*

a. 2021 Report on Firms Owned by People of Color

i. Overview

The *2021 Report on Firms Owned by People of Color* [193] compiles results from the 2020 SBCS. The SBCS provides data on small business performance, financing needs, and decisions and borrowing outcomes.[194,195] The Report provides results by four race/ethnicity categories: White, Black or African American, Hispanic or Latino, and Asian or Pacific Islander. For select key statistics, it also includes results for 4,531 non-employer firms, which are firms with no employees on payroll other than the owner(s) of the business.

Patterns of geographic concentration emerged among small business ownership by race and ethnicity. This was important given the progressive geographic spread of the novel coronavirus throughout 2020 and variations in state government responses to limit its spread. The Report found that 40% of Asian-owned small employer firms are in the Pacific census division, and another 28% are in the Middle Atlantic. Early and aggressive efforts by the impacted states may have affected the revenue performance of Asian-owned firms in the aggregate given their geographic concentration. Black- and Hispanic-owned small employer firms are more concentrated in the South Atlantic region, which includes states with a mix of pandemic responses. For example, while Florida lifted COVID-19 restrictions relatively quickly, the South Atlantic includes states such as Maryland and North Carolina that maintained more strict guidelines.

The Report found that firms owned by people of color continue to face structural barriers in acquiring the capital, business acumen, and market access needed for growth. At the time of the 2020 SBCS – six months after the onset of the global pandemic – the U.S. economy had undergone a significant contraction of economic activity. As a result, firms owned by people of color reported more significant negative effects on business revenue, employment, and operations. These firms anticipated revenue, employment, and operational challenges to persist into 2021 and beyond. Specific findings are, as follows:

ii. Performance and Challenges

Overall, firms owned by people of color were more likely than White-owned firms to report that they reduced their operations in response to the pandemic. Asian-owned firms were more likely than others to have temporarily closed and to have experienced declines in revenues and employment in the 12 months prior to the survey. In terms of sales and the supply chain, 93% of Asian-owned firms and 86% of Black-owned firms reported sales declines as a result of the pandemic. Relative to financial challenges for the prior 12 months, firms owned by people of color were more likely than White-owned firms to report financial challenges, including paying operating expenses, paying rent, making payments on debt, and credit availability. Black-owned business owners were most likely to have used personal funds in response to their firms' financial challenges. Nearly half of Black-owned firms reported concerns about personal credit scores or the loss of personal assets. By contrast, one in five White-owned firms reported no

[193] https://www.fedsmallbusiness.org/medialibrary/FedSmallBusiness/files/2021/sbcs-report-on-firms-owned-by-people-of-color.
[194] The SBCS is an annual survey of firms with fewer than 500 employees.
[195] The 2020 SBCS was fielded in September and October 2020 and yielded 9,693 responses from small employer firms in all 50 states and the District of Columbia.

impact on the owners' personal finances. Asian-owned firms were approximately twice as likely as White-owned firms to report that their firms were in poor financial condition.

iii. Emergency Funding

The *Report* finds that PPP loans were the most common form of emergency assistance funding that firms sought during the period. Black- and Hispanic-owned firms were less likely to apply for a PPP loan. Only six in ten Black-owned firms actually applied. Firms owned by people of color were more likely than White-owned firms to report that they missed the deadline or were unaware of the program. Firms owned by people of color were less likely than White-owned firms to use a bank as a financial services provider. Regardless of the sources at which they applied for PPP loans, firms that used banks were more likely to apply for PPP loans than firms that did not have a relationship with a bank. While firms across race and ethnicity were similarly likely to apply for PPP loans at large banks, White- and Asian-owned firms more often applied at small banks than did Black- and Hispanic-owned firms. Black-owned firms were nearly half as likely as White-owned firms to receive all of the PPP funding they sought and were approximately five times as likely to receive none of the funding they sought.

iv. Debt and Financing

Black-owned firms have smaller amounts of debt than other firms. About one in ten firms owned by people of color do not use financial services.

On average, Black-owned firms completed more financing applications than other applicant firms. Firms owned by people of color turned more often to large banks for financing. By contrast, White-owned firms turned more often to small banks. Black-owned applicant firms were half as likely as White-owned applicant firms to be fully approved for loans, lines of credit, and cash advances.

Firms owned by people of color were less satisfied than White-owned firms with the support from their primary financial services provider during the pandemic. Regardless of the owner's race or ethnicity, firms were less satisfied with online lenders than with banks and credit unions.

In the aggregate, 63% of all employer firms were non-applicants – they did not apply for non-emergency financing in the prior 12 months. Black-owned firms were more likely than other firms to apply for non-emergency funding in the 12 months prior to the survey. One-quarter of Black- and Hispanic-owned firms that applied for financing sought $25,000 or less. In 2020, firms owned by people of color were more likely than White-owned firms to apply for financing to meet operating expenses. The majority of non-applicant firms owned by people of color needed funds but chose not to apply, compared to 44% of White-owned firms. Financing shortfalls were most common among Black-owned firms and least common among White-owned firms.

Firms of color, and particularly Asian-owned firms, were more likely than White-owned firms to have unmet funding needs. Just 13% of Black-owned firms received all of the non-emergency financing they sought in the 12 months prior to the survey, compared to 40% of White-owned firms. Black-owned firms with high credit scores were half as likely as their White counterparts to receive all of the non-emergency funding they sought.

v. Findings for Non-employer Firms

Non-employer firms, those that have no paid employees other than the owner, represent the overwhelming majority of small businesses across the nation. In all, 96% of Black- and 91% of

Hispanic-owned firms are non-employer firms, compared to 78% of White-owned and 75% of Asian-owned firms.[196]

Compared to other non-employer firms, Asian-owned firms reported the most significant impact on sales as a result of the pandemic. They were most likely to report that their firm was in poor financial condition at the time of the survey.

Compared to other non-employer firms that applied for financing, Black-owned firms were less likely to receive all of the financing they sought. Black-owned non-employer firms that applied for PPP loans were less likely than other firms to apply at banks and more often turned to online lenders. Among PPP applicants, White-owned non-employer firms were twice as likely as Black-owned firms to receive all of the PPP funding they sought.

b. 2021 Small Business Credit Survey

The 2021 SBCS[197] reached more than 15,000 small businesses, gathering insights about the COVID-19 pandemic's impact on small businesses, as well as business performance and credit conditions. The Survey yielded 9,693 responses from a nationwide convenience sample of small employer firms with between one and 499 full- or part-time employees across all 50 states and the District of Columbia. The survey was fielded in September and October 2020, approximately six months after the onset of the pandemic. The timing of the survey is important to the interpretation of the results. At the time of the survey, the Paycheck Protection Program ("PPP") authorized by the Coronavirus Relief and Economic Security Act had recently closed applications, and prospects for additional stimulus funding were uncertain. Additionally, many government-mandated business closures had been lifted as the number of new COVID-19 cases plateaued in advance of a significant increase in cases by the year's end.

The 2020 survey findings highlight the magnitude of the pandemic's impact on small businesses and the challenges they anticipate as they navigate changes in the business environment. Few firms avoided the negative impacts of the pandemic. Furthermore, the findings reveal disparities in experiences and outcomes across firm and owner demographics, including race and ethnicity, industry, and firm size.

Overall, firms' financial conditions declined sharply and those owned by people of color reported greater challenges. The most important anticipated financial challenge differed by race and ethnicity of the owners. Among the findings for employer firms relevant to discriminatory barriers were the following:

- For Black-owned firms, credit availability was the top expected challenge, while Asian-owned firms disproportionately cited weak demand.
- The share of firms in fair or poor financial conditions varied by race: 79% of Asian-owned firms, 77% of Black-owned firms, 66% of Hispanic-owned firms and 54% of White-owned firms reported this result.
- The share of firms that received all the financing sought to address the impacts of the pandemic varied by race: 40% of White-owned firms received all the funding sought, but

[196] The Report notes that a future report will describe findings from the 2020 SBCS for non-employers in greater detail.
[197] https://www.fedsmallbusiness.org/medialibrary/FedSmallBusiness/files/2021/2021-sbcs-employer-firms-report.

only 31% of Asian-owned firms, 20% of Hispanic-owned firms and 13% of Black-owned firms achieved this outcome.

c. 2018 Small Business Credit Survey

The 2018 SBCS[198] focused on minority-owned firms. The analysis was divided into two types: employer firms and non-employer firms.

i. Employer firms

Queries were submitted to businesses with fewer than 500 employees in the third and fourth quarters of 2018. Of the 7,656 firms in the unweighted sample, five percent were Asian, ten percent were Black, six percent were Hispanic, and 79% were White. Data were then weighted by number of employees, age, industry, geographic location (census division and urban or rural location), and minority status to ensure that the data is representative of the nation's small employer firm demographics.[199]

Among the findings for employer firms relevant to discriminatory barriers were the following:

- Not controlling for other firm characteristics, fewer minority-owned firms were profitable compared to non-minority-owned firms during the past two years.[200] On average, minority-owned firms and non-minority-owned firms were about as likely to be growing in terms of number of employees and revenues.[201]
- Black-owned firms reported more credit availability challenges or difficulties obtaining funds for expansion—even among firms with revenues of more than $1M. For example, 62% of Black-owned firms reported that obtaining funds for expansion was a challenge, compared to 31% of White-owned firms.[202]
- Black-owned firms were more likely to report relying on personal funds of owner(s) when they experienced financial challenges to fund their business. At the same time, White- and Asian-owned firms reported higher debt levels than Black- and Hispanic-owned firms.[203]
- Black-owned firms reported more attempts to access credit than White-owned firms but sought lower amounts of financing. Forty percent of Black-owned firms did not apply because they were discouraged, compared to 14% of White-owned firms.[204]
- Low credit score and lack of collateral were the top reported reasons for denial of applications by Black- and Hispanic-owned firms.[205]

ii. Non-employer firms[206]

Queries were submitted to non-employer firms in the third and fourth quarters of 2018. Of the 4,365 firms in the unweighted sample, five percent were Asian, 24% were Black, seven percent

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[198] Small Business Credit Survey, https://www.fedsmallbusiness.org/survey/2017/report-on-minority-owned-firms.
[199] *Id* at 22. Samples for SBCS are not selected randomly. To control for potential biases, the sample data are weighted so that the weighted distribution of firms in the SBCS matches the distribution of the small firm population in the United States by number of employees, age industry, geographic location, gender of owner, and race or ethnicity of owners.
[200] *Id*. at 3.
[201] *Id*. at 4.
[202] *Id*. at 5.
[203] Id. at 6.
[204] *Id.* at 9.
[205] *Id.* at 15.
[206] *Id.* at 18.

were Hispanic, and 64% were White. Data were then weighted by age, industry, geographic location (census division and urban or rural location), and minority status.[207]

Among the findings for non-employer firms relevant to discriminatory barriers were the following:

- Black-owned firms were more likely to operate at a loss than other firms.[208]
- Black-owned firms reported greater financial challenges, such as obtaining funds for expansion, accessing credit and paying operating expenses than other businesses.[209]
- Black- and Hispanic-owned firms submitted more credit applications than White-owned firms.[210]

d. 2016 Small Business Credit Surveys

The 2016 Small Business Credit Survey[211] obtained 7,916 responses from employer firms with race/ethnicity information and 4,365 non-employer firms in the 50 states and the District of Columbia. Results were reported with four race/ethnicity categories: White, Black or African American, Hispanic, and Asian or Pacific Islander.[212] It also reported results from woman-owned small employer firms, defined as firms where 51% or more of the business is owned by women, and compared their experiences with male-owned small employer firms.

The Report on Minority-Owned Businesses provided results for White-, Black- or African American-, Hispanic-, and Asian- or Pacific Islander-owned firms.

i. Demographics[213]

The SBCS found that Black-, Asian-, and Hispanic-owned firms tended to be younger and smaller in terms of revenue size, and they were concentrated in different industries. Black-owned firms were concentrated in the healthcare and education industry sectors (24%). Asian-owned firms were concentrated in professional services and real estate (28%). Hispanic-owned firms were concentrated in non-manufacturing goods production and associated services industry, including building trades and construction (27%). White-owned firms were more evenly distributed across several industries but operated most commonly in the professional services industry and real estate industries (19%), and non-manufacturing goods production and associated services industry (18%).[214]

ii. Profitability Performance Index[215]

After controlling for other firm characteristics, the SBCS found that fewer minority-owned firms were profitable compared to non-minority-owned firms during the prior two years. This gap proved most pronounced between White- (57%) and Black-owned firms (42%). On average,

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[207] *Id.* at 18.
[208] *Id*.
[209] *Id.* at 19.
[210] *Id.* at 20.
[211] https://www.fedsmallbusiness.org/survey/2017/report-on-minority-owned-firms.
[212] When the respondent sample size by race for a survey proved to be too small, results were communicated in terms of minority vis-à-vis non-minority firms.
[213] 2016 SBCS, at 2.
[214] *Id.* Forty-two percent of Black-owned firms, 21% of Asian-owned firms, and 24% of Hispanic-owned firms were smaller than $100K in revenue size compared with 17% of White-owned firms.
[215] *Id*. at 3-4.

however, minority-owned firms and non-minority-owned firms were nearly as likely to be growing in terms of number of employees and revenues.

iii. Financial and Debt Challenges/Demands[216]

The number one reason for financing was to expand the business or pursue a new opportunity. Eighty-five percent of applicants sought a loan or line of credit. Black-owned firms reported more attempts to access credit than White-owned firms but sought lower amounts of financing.

Black-, Hispanic-, and Asian-owned firms applied to large banks for financing more than they applied to any other sources of funds. Having an existing relationship with a lender was deemed more important to White-owned firms when choosing where to apply compared to Black-, Hispanic- and Asian-owned firms.

The SBCS also found that small Black-owned firms reported more credit availability challenges or difficulties for expansion than White-owned firms, even among firms with revenues in excess of $1M. Black-owned firm application rates for new funding were ten percentage points higher than White-owned firms; however, their approval rates were 19 percentage points lower. A similar but less pronounced gap existed between Hispanic- and Asian-owned firms compared with White-owned firms. Of those approved for financing, only 40% of minority-owned firms received the entire amount sought compared to 68% of non-minority-owned firms, even among firms with comparably good credit scores.

Relative to financing approval, the SBCS found stark differences in loan approvals between minority-owned and White-owned firms. When controlling for other firm characteristics, approval rates from 2015 to 2016 increased for minority-owned firms and stayed roughly the same for non-minority-owned firms. Hispanic- and Black-owned firms reported the highest approval rates at online lenders.[217]

Low credit score and lack of collateral were the top reported reasons for denial of Black- and Hispanic-owned firms' applications. Satisfaction levels were lowest at online lenders for both minority- and non-minority-owned firms. A lack of transparency was cited as one of the top reasons for dissatisfaction for minority applicants and borrowers.

Forty percent of non-applicant Black-owned firms reported not applying for financing because they were discouraged (expected not to be approved), compared with 14% of White-owned firms. The use of personal funds was the most common action taken in response to financial challenges, with 86% of Black-owned firms, 77% of Asian-owned firms, 76% of White-owned firms, and 74% of Hispanic-owned firms using this as its source.

A greater share of Black-owned firms (36%) and of Hispanic-owned firms (33%) reported existing debt in the past 12 months of less than $100,000, compared with 21% of White-owned firms and 14% of Asian-owned firms. Black-owned firms applied for credit at a higher rate and tended to submit more applications, compared with 31% of White-owned firms. Black-, Hispanic-, and Asian-owned firms applied for higher-cost products and were more likely to apply to online lenders compared to White-owned firms.

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[216] *Id.* at 8-9; 11-12; 13; 15.

[217] The share of minority-owned firms receiving at least some financing was lower across all financing products, compared with non-minority firms.

iv. Business Location Impact[218]

Controlling for other firm characteristics, minority-owned firms located in low-income minority zip codes reported better credit outcomes at large banks, compared with minority-owned firms in other zip codes. By contrast, at small banks, minority-owned firms located in low- and moderate-income minority zip codes experienced lower approval rates than minority-owned firms located in other zip codes.

v. Non-employer Firms[219]

Non-employer firms reported seeking financing at lower rates and experienced lower approval rates than employer firms, with Black-owned non-employer firms and Hispanic-owned non-employer firms experiencing the most difficulty. White-owned non-employer firms experienced the highest approval rates for new financing, while Black-owned non-employer firms experienced the lowest approval rates for new financing.

2. The New York Federal Reserve Board's 2016 Report on Woman-Owned Businesses[220]

The Report on Woman-Owned Businesses provides results from woman-owned small employer firms where 51% or more of the business is owned by women. These data compared the experience of these firms compared with male-owned small employer firms.

a. Firm Characteristics: Woman-Owned Firms Start Small and Remain Small and Concentrate in Less Capital-Intensive Industries[221]

The SBCS found that 20% of small employer firms were woman-owned, compared to 65% male-owned and 15% equally owned. Woman-owned firms generally had smaller revenues and fewer employees than male-owned small employer firms. These firms tended to be younger than male-owned firms.

Woman-owned firms were concentrated in less capital-intensive industries. Two out of five woman-owned firms operated in the healthcare and education or professional services and real estate industries. Male-owned firms were concentrated in professional services, real estate, and non-manufacturing goods production and associated services.[222]

b. Profitability Challenges and Credit Risk Disparities[223]

Woman-owned firms were less likely to be profitable than male-owned firms. These firms were more likely to report being medium or high credit risk compared to male-owned firms. Notably, gender differences by credit risk were driven by woman-owned startups. Among firms older than five years, credit risk was indistinguishable by the owner's gender.

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[218] *Id.*at 17.
[219] *Id.* at 21.
[220] https://www.newyorkfed.org/medialibrary/media/smallbusiness/2016/SBCS-Report-WomenOwnedFirms-2016.pdf.
[221] 2016 SBCS, at 1-5.
[222] Non-manufacturing goods production and associated services refers to firms engaged in Agriculture, Forestry, Fishing, and Hunting; Mining, Quarrying, and Oil and Gas Extraction; Utilities; Construction; Wholesale Trade; Transportation and Warehousing (NAICS codes: 11, 21, 22, 23, 42, 48-49).
[223] *Id*. at 6-7.

c. Financial Challenges During the Prior Twelve Months[224]

Woman-owned firms were more likely to report experiencing financial challenges in the prior twelve months: 64% compared to 58% of male-owned firms. They most frequently used personal funds to fill gaps and make up deficiencies. Similar to male-owned firms, woman-owned firms frequently funded operations through retained earnings. Ninety percent of woman-owned firms relied upon the owner's personal credit score to obtain financing.

d. Debt Differences[225]

Sixty-eight percent of woman-owned firms had outstanding debt, similar to that of male-owned firms. However, woman-owned firms tended to have smaller amounts of debt, even when controlled for the revenue size of the firm.

e. Demands for Financing[226]

Forty-three percent of woman-owned firms applied for financing. Woman-owned applicants tended to seek smaller amounts of financing even when their revenue size was comparable.

Overall, woman-owned firms were less likely to receive all financing applied for compared to male-owned firms. Woman-owned firms received a higher approval rate for U.S. Small Business Administration loans compared to male-owned firms. Low-credit, woman-owned firms were less likely to be approved for business loans than their male counterparts with similar credit (68% compared to 78%).

f. Firms That Did Not Apply for Financing[227]

Woman-owned firms reported being discouraged from applying for financing for fear of being turned down at a greater rate: 22% compared to 15% for male-owned firms. Woman-owned firms cited low credits scores more frequently than male-owned firms as their chief obstacle in securing credit. By contrast, male-owned businesses were more likely to cite performance issues.

g. Lender Satisfaction[228]

Woman-owned firms were most consistently dissatisfied by lenders' lack of transparency and by long waits for credit decisions. However, they were notably more satisfied with their borrowing experiences at small banks rather than large ones.

3. 2010 Minority Business Development Agency Report[229]

The 2010 Minority Business Development Agency Report, "Disparities in Capital Access Between Minority and non-Minority Owned Businesses: The Troubling Reality of Capital Limitations Faced by MBEs", summarizes results from the Kauffman Firm Survey, data from the U.S. Small Business Administration's Certified Development Company/504 Guaranteed Loan

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[224] *Id*. at 8.
[225] *Id*. at 10.
[226] *Id*., at 16.
[227] *Id*. at 14.
[228] *Id*. at 26.
[229] Robert W. Fairlie and Alicia Robb, Disparities in Capital Access Between Minority and non-Minority Businesses: The Troubling Reality of Capital Limitations Faced by MBEs, Minority Business Development Agency, U.S. Department of Commerce, 2010 ("MBDA Report" https://archive.mbda.gov/sites/mbda.gov/files/migrated/files-attachments/DisparitiesinCapitalAccessReport.pdf).

Program and additional extensive research on the effects of discrimination on opportunities for minority-owned firms. The report found that

> low levels of wealth and liquidity constraints create a substantial barrier to entry for minority entrepreneurs because the owner's wealth can be invested directly in the business, used as collateral to obtain business loans or used to acquire other businesses.[230]

It also found, "the largest single factor explaining racial disparities in business creation rates are differences in asset levels."[231]

Some additional key findings of the Report include:

- *Denial of Loan Applications*. Forty-two percent of loan applications from minority firms were denied compared to 16% of loan applications from non-minority-owned firms.[232]
- *Receiving Loans*. Forty-one percent of all minority-owned firms received loans compared to 52% of all non-minority-owned firms. MBEs are less likely to receive loans than non-minority-owned firms regardless of firm size.[233]
- *Size of Loans*. The size of the loans received by minority-owned firms averaged $149,000. For non-minority-owned firms, loan size averaged $310,000.
- *Cost of Loans*. Interest rates for loans received by minority-owned firms averaged 7.8%. On average, non-minority-owned firms paid 6.4% in interest.[234]
- *Equity Investment*. The equity investments received by minority-owned firms were 43% of the equity investments received by non-minority-owned firms even when controlling for detailed business and owner characteristics. The differences are large and statistically significant. The average amount of new equity investments in minority-owned firms receiving equity is 43% of the average of new equity investments in non-minority-owned firms. The differences were even larger for loans received by high sales firms.[235]

4. Federal Reserve Board Surveys of Small Business Finances

The Federal Reserve Board and the U.S. Small Business Administration have conducted surveys of discrimination in the small business credit market for years 1993, 1998 and 2003.[236] These Surveys of Small Business Finances are based on a large representative sample of firms with fewer than 500 employees. The main finding from these Surveys is that MBEs experience higher loan denial probabilities and pay higher interest rates than White-owned businesses, even after controlling for differences in credit worthiness and other factors. Blacks, Hispanics and Asians were more likely to be denied credit than Whites, even after controlling for firm

[230] *Id.* at 17.
[231] *Id.* at. 22.
[232] *Id*. at 5.
[233] Id.
[234] *Id*.
[235] Id.
[236] https://www.federalreserve.gov/pubs/oss/oss3/nssbftoc.htm. These surveys have been discontinued. They are referenced to provide some historical context.

characteristics like credit history, credit score and wealth. Blacks and Hispanics were also more likely to pay higher interest rates on the loans they did receive.[237]

5. 2020 Small Business Administration Loans to African American Businesses

As detailed in a 2021 article published in the *San Francisco Business Times*,[238] the number of loans to Black businesses through the SBA's 7(a) program[239] decreased 35% in 2020.[240] This was the largest drop in lending to any race or ethnic group tracked by the SBA. The 7(a) program is the SBA's primary program for financial assistance to small businesses. Terms and conditions, like the guaranty percentage and loan amount, vary by the type of loan. Lenders and borrowers can negotiate the interest rate, but it may not exceed the SBA maximum.[241]

Bankers, lobbyists, and other financial professionals attributed the 2020 decline to the impact of the PPP pandemic relief effort.[242] The PPP loan program provided the source of relief to underserved borrowers through a direct incentive for small businesses to keep their workers on payroll.[243] Approximately 5.2M PPP loans were made in 2020, as compared with roughly 43,000 loans made through the 7(a) program.

In a published statement to the *Portland Business Journal,* the American Bankers Association, an industry trade group, noted that the 2020 decline in SBA 7(a) loans to Black-owned businesses is not a one-year anomaly; it has been declining for years at a much faster rate than 7(a) loans to other borrowers. The 2020 data[244] reveal that the number of SBA loans made annually to Black businesses has declined 90% since a 2007 peak, more than any other group tracked by the SBA. In that interval, the overall number of loans decreased by 65%.

The nation's four largest banks (JP Morgan Chase, Bank of America, Citigroup, and Wells Fargo), which hold roughly 35% of national deposits, made 41% fewer SBA 7(a) loans to Blacks in 2020.[245]

PPP loans served as a lifeline during the pandemic for millions of businesses. However, industry experts maintained that PPP loans detracted from more conventional SBA lending efforts that year. Wells Fargo provided more than 282,000 PPP loans to small businesses nationwide in 2020, with an average loan size of $50,000. Wells Fargo, the most active lender for Black-owned businesses nationwide in 2020, saw its SBA loans to Blacks drop from 263 in

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[237] *See* Blanchflower, D. G., Levine. P. and Zimmerman, D., "Discrimination In The Small Business Credit Market," *Review of Economics and Statistics*, (2003); Cavalluzzo, K. S. and Cavalluzzo, L. C. ("Market structure and discrimination, the case of small businesses," *Journal of Money, Credit, and Banking*, (1998).

[238] SBA Loans to African American Businesses Decrease 35%, San Francisco Business Times (August 11, 2021) at: https://www.bizjournals.com/sanfrancisco/news/2021/08/11/sba-loans-to-african-american-businesses-decrease.html. Data were obtained through a Freedom of Information Act request.

[239] Section 7(a) of the Small Business Act of 1953 (P.L. 83-163, as amended).

[240] The total number of 7(a) loans declined 24%.

[241] The SBA caps the maximum spread lenders can charge based on the size and maturity of the loan. Rates range from prime plus 4.5% to prime plus 6.5%, depending on how much is borrowed.

[242] The Coronavirus Act, Relief, and Economic Security Act ("CARES Act"), required the SBA to issue guidance to PPP lenders to prioritize loans to small businesses owned by socially and economically disadvantaged individuals including Black-owned businesses. *See* 116-136, §1, March 27, 2020, 134 Stat. 281.

[243] PPP loans were used to help fund payroll costs, including benefits, and to pay for mortgage interest, rent, utilities, workers protection costs related to COVID-19, uninsured property damage costs caused by looting or vandalism during 2020 as well as certain supplier costs and operational expenses.

[244] The SBA denied the original request for information; however, the publication prevailed on appeal.

[245] Data obtained by the *Business Journal* does not include information from lenders who made less than ten loans in 2020.

2019 to 162 in 2020. Bank of America, Chase, and Citigroup also reported fewer SBA loans to African American businesses in 2020.

While PPPs have been heralded for providing needed monies to distressed small and mid-size businesses, data reveals disparities in how loans were distributed.[246] An analysis in 2020 by the *Portland Business Journal*, found that of all 5.2M PPP loans, businesses in neighborhoods of color received fewer loans and delayed access to the program during the early critical days of the pandemic.[247] More recent analysis released by the Associated Press indicates that access for borrowers of color improved exponentially during the later rounds of PPP funding, following steps designed to make the program more accessible to underserved borrowers.

6. Other Reports

- Dr. Timothy Bates found venture capital funds focusing on investing in minority firms provide returns that are comparable to mainstream venture capital firms.[248]
- According to the analysis of the data from the Kauffman Firm Survey, minority-owned firms' investments into their own firms were about 18% lower in the first year of operations compared to those of non-minority-owned firms. This disparity grew in the subsequent three years of operations, where minorities' investments into their own firms were about 36% lower compared to those of non-minority-owned firms.[249]
- Another study by Fairlie and Robb found minority entrepreneurs face challenges (including lower family wealth and difficulty penetrating financial markets and networks) directly related to race that limit their ability to secure financing for their businesses.[250]

E. Evidence of Disparities in Access to Human Capital

There is a strong intergenerational correlation with business ownership. The probability of self-employment is significantly higher among the children of the self-employed. A generational lack of self-employment capital disadvantages minorities, whose earlier generations were denied business ownership through either *de jure* segregation or *de facto* exclusion.

There is evidence that current racial patterns of self-employment are in part determined by racial patterns of self-employment in the previous generation.[251] Black men have been found to face a "triple disadvantage" in that they are less likely than White men to: 1. Have self-employed

[246] While PPP loans are administered by the SBA, they are disbursed primarily through banks.
[247] Many industry experts have observed that businesses that already had strong relationships with lenders were the most successful in accessing PPP loans. The nation's long history of systemic racism in banking fostered disparities in PPP loan distribution. *See* Alicia Plerhoples, *Correcting Past Mistakes: PPP Loans and Black-Owned Small Businesses,* at https://www.acslaw.org/expertforum/correcting-past-mistakes-ppp-loans-and-black-owned-small-businesses/.
[248] *See* Bates, T., "Venture Capital Investment in Minority Business," *Journal of Money Credit and Banking* 40, 2-3 (2008).
[249] Fairlie, R.W. and Robb, A, Race and Entrepreneurial Success: Black-, Asian- and White-Owned Businesses in the United States, (Cambridge: MIT Press, 2008.
[250] Fairlie, R.W. and Robb, A., Race and Entrepreneurial Success: Black-, Asian- and White-Owned Businesses in the United States, (Cambridge: MIT Press, 2008).
[251] Fairlie, R W., "The Absence of the African-American Owned Business, An Analysis of the Dynamics of Self-Employment," *Journal of Labor Economics*, Vol. 17, 1999, pp 80-108.

fathers; 2. Become self-employed if their fathers were not self-employed; and 3. To follow their fathers into self-employment.[252]

Intergenerational links are also critical to the success of the businesses that do form.[253] Working in a family business leads to more successful firms by new owners. One study found that only 12.6% of Black business owners had prior work experiences in a family business as compared to 23.3% of White business owners.[254] This creates a cycle of low rates of minority ownership and worse outcomes being passed from one generation to the next, with the corresponding perpetuation of advantages to White-owned firms.

Similarly, unequal access to business networks reinforces exclusionary patterns. The composition and size of business networks are associated with self-employment rates.[255] The U.S. Department of Commerce has reported that the ability to form strategic alliances with other firms is important for success.[256] Minorities and women in our interviews reported that they felt excluded from the networks that help to create success in their industries.

F. Conclusion

The economy-wide data, taken as a whole, paint a picture of systemic and endemic inequalities in the ability of firms owned by minorities and women to have full and fair access to Harris Health's contracts and associated subcontracts. This evidence supports the conclusion that absent the use of narrowly tailored contract goals, these inequities create disparate impacts on M/WBEs.

[252] Hout, M. and Rosen, H. S., "Self-employment, Family Background, and Race," *Journal of Human Resources,* Vol. 35, No. 4, 2000, pp. 670-692.
[253] Fairlie, R.W. and Robb, A., "Why Are Black-Owned Businesses Less Successful than White-Owned Businesses? The Role of Families, Inheritances, and Business Human Capital," *Journal of Labor Economics*, Vol. 24, No. 2, 2007, pp. 289-323.
[254] *Id*.
[255] Allen, W. D., "Social Networks and Self-Employment," *Journal of Behavioral and Experimental Economics (formerly The Journal of Socio-Economics)*, Vol. 29, No. 5, 2000, pp. 487-501.
[256] "Increasing MBE Competitiveness through Strategic Alliances" (Minority Business Development Agency, 2008).

V. Qualitative Evidence of Race and Gender Barriers in Harris Health's Market Area

In addition to quantitative data, a disparity study should further explore anecdotal evidence of experiences with discrimination in contracting opportunities. This evidence is relevant to whether M/WBEs face discriminatory barriers to their full and fair participation in Harris Health's opportunities. Anecdotal evidence also sheds light on the likely efficacy of using only race- and gender-neutral remedies designed to benefit all small contractors to combat discrimination. As discussed in the Legal Chapter, this type of anecdotal data has been held by the courts to be relevant and probative of whether an entity may use narrowly tailored M/WBE contract goals to remedy the effects of past and current discrimination and create a level playing field for contract opportunities for all firms.

The Supreme Court has held that anecdotal evidence can be persuasive because it brings "the cold [statistics] convincingly to life."[257] Evidence about discriminatory practices engaged in by prime contractors, government personnel, and other actors relevant to business opportunities has been found relevant regarding barriers both to minority firms' business formation and to their success on governmental projects.[258] The courts have held that while anecdotal evidence is insufficient standing alone, "[p]ersonal accounts of actual discrimination or the effects of discriminatory practices may, however, vividly complement empirical evidence. Moreover, anecdotal evidence of a [government's] institutional practices that exacerbate discriminatory market conditions are [sic] often particularly probative."[259] "[W]e do not set out a categorical rule that every case must rise or fall entirely on the sufficiency of the numbers. To the contrary, anecdotal evidence might make the pivotal difference in some cases; indeed, in an exceptional case, we do not rule out the possibility that evidence not reinforced by statistical evidence, as such, will be enough."[260]

There is no requirement that anecdotal testimony be "verified" or corroborated, as befits the role of evidence in legislative decision-making, as opposed to judicial proceedings. In finding the State of North Carolina's Historically Underutilized Business ("HUB") program to be constitutional, the court of appeals opined that "[p]laintiff offers no rationale as to why a fact finder could not rely on the State's 'unverified' anecdotal data. Indeed, a fact finder could very well conclude that anecdotal evidence need not—indeed cannot—be verified because it is nothing more than a witness' narrative of an incident told from the witness' perspective and including the witness' perception."[261] Likewise, the Tenth Circuit held that "Denver was not required to present corroborating evidence and [plaintiff] was free to present its own witnesses to either refute the incidents described by Denver's witnesses or to relate their own perceptions on discrimination in the Denver construction industry."[262]

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[257] *International Brotherhood of Teamsters v. United States*, 431 U.S. 324, 399 (1977).
[258] *Adarand Constructors, Inc. v. Slater*, 228 F.3d 1147, 1168-1172 (10th Cir. 2000), *cert. granted*, 532 U.S. 941, *then dismissed as improvidently granted*, 534 U.S. 103 (2001).
[259] *Concrete Works of Colorado, Inc. v. City and County of Denver*, 36 F.3d 1513, 1120, 1530 (10th Cir. 1994).
[260] *Engineering Contractors Association of South Florida, Inc. v. Metropolitan Dade County*, 122 F.3d 895, 926 (11th Cir. 1997).
[261] *H.B. Rowe Co., Inc. v. Tippett,* 615 F.3d 233, 249 (4th Circ. 2010).
[262] *Concrete Works of Colorado, Inc. v. City and County of Denver*, 321 F.3d 950, 989 (10th Cir. 2003), *cert. denied*, 540 U.S. 1027 (2003).

A. Business Owner Interviews

To explore this type of anecdotal evidence of possible discrimination against minorities and women in Harris Health's geographic and industry markets, we conducted two small group interviews, totaling 11 participants. We sought to explore their experiences in seeking and performing public sector prime contracts and subcontracts with Harris Health, other government agencies, and in the private sector. We also elicited recommendations for increased opportunities to compete for Harris Health work.

Several minority or female owners reported they face biased and negative assumptions about their qualifications and capabilities.

> I find that when I would go to places to speak and take my examiner with me who is not a Black person, all questions are directed to him.… They'd say things like, "Okay, we're going to give you our business. I'm sure your boss will be proud of you." The assumption was made that it was someone else's company and I was perhaps a sales person.
>
> We don't typically say we are a Black-owned firm or we are a minority. Because, again, that's not why we're there.… But the gentleman said to me … "go back and talk with your bosses and I'll be happy to have a conversation with them and go from there." And we looked at each other and we said, "Okay, we'll do just that. Thank you, thank you for your time."
>
> I've found myself not even inserting, "I am the owner" or "I am the decision-maker" or what have you, I just have that conversation business to business versus any assertion of who's in charge. Whether that's for better or for worse or anything, it's almost allowed whomever to think whatever it is that they want to.… I don't necessarily say I'm the owner, I may say I'm the administrator because that is also my title as well.

Obtaining information about solicitations was reported by some interviewees to be difficult.

> I don't want to get awarded because I'm a minority. I want to get awarded because I'm a good company, I have a good product, you know? But my experience has been that I have not even gotten a chance to do that. Not even to do a trial or anything like so it's just frustrating.

More outreach and access to information and decision makers were recommendations to increase opportunities for M/WBEs.

> There has to be somebody from the business or the manager's information technology [unit] who have to figure out that how will they channel all their requirements to all the approved vendors. And that has been a challenge for us because we have not been able to figure out who that might be. We had reached out to the person on the RFP document in terms of from procurement, but beyond that, we just don't know where to go.
>
> One thing that would be really helpful is to have, maybe, like "Meet the Buyer" and the true buyer … the decision-makers that can say, "Okay yes, I'll use you for this particular project." I think that would be very helpful because for me, I believe that

> it's about making the relationships or developing those relationships and so if we're able to start a relationship with the actual person that we're working with rather than the middle person... [Then it's not] "Oh, we're just a minority firm so that's why we need to have this opportunity." A direct meeting would really, really help us.
>
> Have some periodical meetings, once a month, once a quarter.

Some M/WBEs felt that assertions about the importance of inclusion were not followed by concrete actions.

> My experience has been that everybody's about diversity through healthcare, but in reality they don't call you or they don't give you a chance.
>
> G[roup] P[urchasing] O[rganization]s tout that they're all about diversity and honestly, they asked me to go ahead and sign up with their program and I have, and we never get a call back.… It's just very frustrating because they talk about diversity, and I've been to those meetings and honestly you don't get any callbacks or anything like that.… For a company like ours, it would be very hard to compete against the GPOs, I tell you why, because I'm competing against multi-billion-dollar companies that are paying those GPOs lots of money for administration fees.

B. Additional Anecdotal Data from Texas Disparity Studies

We include below additional anecdotal information from the recent disparity studies conducted by Colette Holt & Associates for various Texas governments. Although not dispositive, these reports corroborate the barriers faced by minorities and women in the Houston area and overall Texas marketplace.

This summary of anecdotal reports provides an overview of the following Disparity Studies: Travis County 2021 ("Travis County"); the City of Arlington 2020 ("Arlington"); the City of Fort Worth 2020 ("Fort Worth"); Harris County 2020 ("Harris County"); the Dallas Fort Worth International Airport 2019 ("DFW"); Texas Department of Transportation 2019 ("TxDOT"); Dallas County 2015 ("Dallas County"); and Parkland Health and Hospital System 2015 ("PHHS").

1. Discriminatory Attitudes and Negative Perceptions of Competency and Professionalism

Biases about the capabilities of minority and woman business owners impact all aspects of their attempts to obtain contracts and to be treated equally in performing contract work. The prevailing viewpoint is that M/WBEs and smaller firms are less qualified and capable.

> One of the biggest general contractors in this part of Texas got up and says, "I don't want to do business with [minorities].… The only reason why I'm here is because I got a contract and the state is paying for it, or else I wouldn't be doing business with you." (Harris County, page 95)
>
> There's definitely on fees, an expectation, that if you are woman-owned or minority-owned firm, that you're going to do the work for less. Same work, for less. (Harris County, page 95)

I believe Black businesses are stereotyped as less than equipped for major projects. (Travis County, page 200)

My whole time as an MBE/HUB consultant [my competency has been questioned.] (Travis County, page 203)

Until we received SBA funding, we were unable to get a loan of more than 10% of last year's revenue, which wasn't sufficient to scale our business. (Travis County, page (205)

Racism still exists and the construction industry is one that still has a lot of small to mid-size businesses that still discriminate. (Travis County, page 200)

It's a daily struggle [against racial harassment]. I have to hide the fact that I'm Black and female in order to even to be considered. (Travis County, page 200)

Received questioning of competency on ability and knowledge in landscape construction during installation of a major project. Not uncommon for another contractor or sub to avoid asking a female on our team by asking a male on our team. (Travis County, page 202)

I've been told not to mention that we are a HUB/WOSB because we will not be taken seriously. (Travis County, page 203)

Stigma sometimes can come from leading your marketing with M/WBE status, and that's a quick way to [not get work]. (DFW, page 158)

Sometimes, I choose not to present myself as a minority contractor.… Obviously, when people meet me, [being an MBE] they assume certain things. As they get to know me and understand that I can speak construction, that I'm bilingual, that I speak engineering, then I get the comment, "Oh, you're different." Or, "You're educated."… I do think that there is a stigma [to being an MBE]. (DFW, page 158)

I try not to use my accent. And treatment is completely different, completely different [if they think I am White]. (TxDOT, page 161)

[Agency staff and prime vendors] are looking down at you because you are a woman. Because you're a woman, you probably didn't know IT. (PHHS, page 107)

There's still this stigma. "Well, I guess, you know, we'll see what the little girls are doing over there." (DFW, page 158)

There are many women owned businesses who are trying today to survive in the male-owned, if you want to say good old boy, Texas network. Many of us. And it does keep us down because of the perception of what the woman knows in math and science as you negotiate with engineers. (Dallas County, page 102)

When a White firm commits an offense, something goes wrong, they say run his ass off. Not the firm, but the architect or that manager who did a poor job. If it's an African American firm or Hispanic firm, run the company off. (PHHS, page 108)

> People of color do not get the same credit even if their financials and credit scores are the same.… [A White man has] got a little bit more credit than you did. And then there was a slowdown in paid invoices, [he's] a big GC and he floats it because he's got a little more credit. And then people turn around, "Hey, that guy's a good business. Joe Man Black over here, Hispanic, he doesn't know how to manage his business." All he did was access his credit line. And if he would've had his credit line, he could do it, too. It's like he ain't stupid. If he had a credit line, he'd access it when he needs it.… So then, [non-M/WBEs] look like they're better business people, not because they're better business people, but because people are carrying them. (Fort Worth, page 137)

Many women reported unfair treatment or sexual harassment in the business world.

> I've had people ask if my husband started and/or runs the business. I'm single. (Travis County, page 201)

> In general, [I] have to limit the networking activities we participate in to avoid potential sexual harassment situations with potential customers. (Travis County, page 200)

> I work in tech and experience a variety of gender-related harassment as a matter of course. (Travis County, page 202)

> Fieldwork opportunities [are] sometimes not offered due to difficulty creating women-only overnight accommodations. (Travis County, page 203)

> Sometimes I get statements like, "Are you sure you can do the work?" (TxDOT, page 162)

> I've dealt with [TxDOT staff] that just thought I was dumb as dirt because I'm a woman, but this was a woman. (TxDOT, page 163)

> I still do find the initial contact with specifically, a general contractor, there is somewhat that attitude of you're a woman, let me tell you how to do this. (TxDOT, page 162)

> You get a lot of that. You're a woman, pat you on the head and say it's nice that you came today. Then, all the sudden, they'll be over there doing their thing and you sit there and hear what they're saying. You're like, that's not gonna be to code buddy and good luck with that. They look at you like; how do you know that? This is my job to know those things. (TxDOT, page 162)

> I have offered to go out and market more for the company and… some guys that were sitting in the back, they said, "Well, we really need somebody very young and pretty and dresses very nice to go out and market, 'cause they get the attention." "Excuse me?" I think I can do a good job marketing, but I…don't meet those qualifications. (TxDOT, page 163)

> I've had dinner encounters … I've had a guy grab me at one of those.… I definitely do make it a point to not ride with certain people that I don't feel comfortable with. (DFW, page 158)

2. Access to Formal and Informal Business and Professional Networks

Both minority and women respondents reported difficulty in accessing networks and fostering relationships necessary for professional success and viability. This difficulty extended to Harris Health staff; respondents were unable to gain access to, and communicate with, key decision makers. Business owners frequently stated that Texas is a "good old boy" state.

> You call and call and call [prime vendors] and you sort of feel like you're just bugging them. But they never call back. They never do anything. So, just seems like they're just used to doing business with the same companies and that's who they choose to do business with. (Harris County, page 100)

> In presenting the various options and moving forward from concept into detail design, sitting around a room, and except for maybe an architect, I was always the only woman at the table. It's an expertise that I've carried for many years, and literally, repeated to the owners of a government entity, would present the case and why this is the recommendation to move forward. And it would be silence in the room. And then, this junior, who was not even a licensed P[rofessional] E[ngineer] yet, working underneath of me, who helped me put the slides together, and did some of the analysis under my leadership, would – they'd ask a couple of questions, and this young man would answer the questions based on the slides and flipping back and forth. And then all of a sudden, the recommendation was accepted because this young man, who was my employee, was giving the answer instead of me. (Harris County, page 96)

> You're not in the frat. You didn't get the letter, you know? You didn't get the call. But whatever you need to do to get in, you need to figure it out. (Harris County, page 100)

> I believe it's about who you know, so although I am HUB certified and applied for business opportunities, I believe I am still not given the information needed to help me execute the opportunity. (Travis County, page 204)

> It is not difficult to get a sense that, for construction work, a preference exists for a male focused company to be the contractor or sub, particularly when the room is packed with males (example, a "get to know the prime" event). When standing in line to discuss a project with a prime, the men before and after have been given more time, discussion, sincerity, and contact info for additional work than our females have received from the GC's reps at the event. It is not an isolated thing. (Travis County, page 203)

> Large firms have the resources to donate money to local politicians and often receive information about opportunities that are not available to others. (Travis County, page 205)

> Many large firms and clients believe HUB or DBE firms do not do good work. We are often looked down on because we have a HUB or DBE certification. (Travis County, page 203)

> Vendor lack of experience with small businesses results in questioning a business' capabilities. (Travis County, page 205)

Yes, based on history and experience, I have not had access to the same contracting opportunities that larger firms with more history in the area, larger workforces with marketing departments, and better name recognition. (Travis County, page 205)

The transportation industry as a whole is dominated by the civil engineers, which typically the folks graduating in civil engineering are White men. You have a very low proportion of women and minorities with those degrees. Inherently, then in the workplace, you're seeing very low amounts of diversity. Same things in environmental services. You don't get a lot of women who are wildlife biologists. Someone with that type of experience typically has been hunting and fishing with his father and his grandpa their entire lives and they have a good old boys club. They go drinking, they go fishing, they go playing golf. (TxDOT, page 162)

They still see women as a support system. They do not see us as business people. We are stepping out, and we are, women are coming on. Men, I hate to put it, y'all better get ready because the women are in the labor force, they're coming hard, and they're coming fast. (Fort Worth, page 136)

[Texas is] a good old boy state. It is a fact of life whether you're a woman, small business, whatever. Ladies, the only way we get a chance is we have to legally stand up and demand that we get a fair trial, that we be put on a level playing field by having rules and regulations.… [Women] are always behind. We will always be behind in this state. (Dallas County, page 101)

We are always at a disadvantage because we are not in a situation where we can build these relationships. Going to the country club here and having lunch with the mayor and with all of the CEOs of the companies around here. So, the playing field is not level, and it is discriminatory because we're not in a position to build those relationships. (Arlington, page 143)

I've been raised in Fort Worth my whole life and so it's still very much a good old boys club here in Fort Worth. I spend 90% of my time in Dallas. And I live in Fort Worth. (Fort Worth, page 134)

I'm a lifelong Fort Worth resident and taxpayer and it's very disheartening that the City of Dallas has actually been a lot easier as a small minority business. There are certain aspects of the good old boys' club [you see] attending some of the pre-bids. You do see a lot of kind of favoritism and partiality to the contractors that are there and some of the City officials. (Fort Worth, page 134)

My industry it is extremely male dominant.… They say, "Oh, there's a girl, there's a woman. What is she here for? Who does she work for? … That's [name]. Oh, she owns her own company. She's a little bitty company. She's nothing to worry about." Well, I'm going to be silent and deadly and they're going to watch because I'm coming. (Fort Worth, page 135)

The County and the hospital … do tell you about the opportunities. The problem is you can't get into the inner circle [of agency decision makers]. (Dallas County, page 102)

[There is an] inability to get in front of the key decision makers [at the agencies].… I reached out to the executive assistant to the C[hief] I[information] O[fficer] and no one has responded at all. (PHHS, page 107)

3. Obtaining Work on an Equal Basis

Respondents reported that institutional and discriminatory barriers continue to exist in the Texas marketplace. They were in almost unanimous agreement that contract goals remain necessary to level the playing field and equalize opportunities. Race- and gender-neutral approaches alone are viewed as inadequate and unlikely to ensure a level playing field.

If you just looking at goals, goals in itself, without enforcements, it's not effective. (Harris County, page 101)

I have never had a contract with a general contractor in 36 years that's private. Everything is government, and if the government didn't say use a minority, they wouldn't do it. (Harris County, page 97)

Part of the problem is accountability… The State [of Texas] has told me, with regard to submitting bids for the Texas HUB requirement, that I need to go back to the contractor, but the contractor is the problem…. The government doesn't hold the contractor accountable. (Harris County, page 102)

If it's not a project that has a goal, they're not bringing you to the table. (Dallas County, page 103)

There's no real aggressive movement on [the City's] part to recruit and require these plans to hire African Americans. (Arlington, page 144)

There is an entrenched bias in favor of the big company. They'll have the political connections, all that stuff…. They don't want to risk anything. They've got the good old boys, they got the whole comfy thing. (Arlington, pages 144-145)

Unless there's goals in the project, there is no business for small business. And even then, they try to skirt around it. And they'll use my credentials to actually go for it and then excuse me. (Dallas County, page 103)

Prime vendors see the goal as the ceiling, not as the floor. (Dallas County, page 103)

If it wasn't for that requirement, that MWB requirement, most of the businesses would probably have a very difficult time staying in business and my business, probably 80% of it [comes] just from these types of governmental projects that come along and it's no way that these primes would work with us … on projects that did not have an MWB requirement. (Fort Worth, page 137)

If the program went away, what would happen? You would lose small businesses. One, if you don't have relationships, people do business with who they know. If we don't have a program that says that there has to be utilization, participation levels, whatever that is, DBE goals MBE goals, they won't use them. (Fort Worth, page 137)

> The [City] work stopped as a result [of dropping Hispanic firms from the program]. It was not going to be helpful to [the prime proposer] to bring on my firm, because they wouldn't get any points in the grading of the proposals. So, therefore, I have not been able to do any work at all since. (Fort Worth, page 138)

> If [prime vendors] think they can get away with it, without having goals, then they're going to self-perform or they're going to use the folks that they have relationships with. And those folks don't necessarily look like us. (Dallas County, page 103)

> Until those [business relationships} are equal, you're going to have to keep on forcing numbers. And as quick as you force a number, they're going to come up with something to circumvent that number. (Dallas County, page 104)

> [Prime contractors] are like, why do I need you? Why do I need to give you any money? It's not required of me to do it. So, you may have the greatest relationship with them in the world but those larger firms, if they don't need to check the box so to speak, they're not going to reach out and say, hey, I want to help grow you more because in their mind I just helped you on this job get this much money, you should be happy and let me go do what I need to do. (Dallas County, page 103)

Minority and female entrepreneurs were also concerned about the inability to get work due to longstanding relationships that predate contracting affirmative action programs.

> [Larger White male-owned firms are] going to go and use the same company [with which they usually do business]. (PHHS, page 106)

> [People] tend to do business with who they know and who they like, and they really don't care that they're supposed to [meet a goal]. (Dallas County, page 103)

> And if you're not a DBE or HUB or SBE, you're not going to be considered for any work as a consultant for TxDOT because they're going to use these legacy firms for most of their work on the consulting side. (TxDOT Study, page 164)

> There's this systemic nature of doing business with people you know. And we all like to do business with people we know. We know that they'll come through. They'll be on time. They'll be under budget.… [But] the systemic aspect of familiarity for others sometimes breeds contempt for the person trying to get in the door. (Fort Worth, page 133)

Respondents also maintained that prime contractors are not comfortable with minorities taking larger roles. They indicated that even M/WBEs who had accessed large public contracts through M/WBE programs did not translate into public sector work.

> Do we really want to play this game and how much headache and how much headache do we want to deal with?... We employ 75 employees and I've had minorities grow through our organization. But the challenge that I have is now that we're able to bond single projects up to 15, 18 million dollars, I'm getting a bigger pushback.… When we can sit down and start talking business and how we're going to staff the job, going to put my bonding up, what's the duration and the schedule? [The large general contractors are] doing this, no, no, no [shaking head]. (Dallas County, page 104)

> You get in a niche of being a DBE and you're automatically a sub…. We've had a lot of success in the DBE market and I'm not going to downplay that, but as a prime, we don't get a lot. We end up getting a smaller piece so you can do the hydraulics, or you can do the survey but the true design work for plan and profile on a street or something like that where we can actually show expertise in engineering, we're not given that piece of the pie. (Arlington, page 145)
>
> [A general contractor, with which this MBE had worked on major project jobs, when approached about a private sector project, responded] "There's no MWBE [goal] on this." I said, "Wait a minute. We just worked together for five years. You know me." Yes, but there's not MWBE goals. I said, "You mean to tell me I can't do [scope]? It's right across the street from my headquarters." "Well, there's no MWBE goals." So, he's one of the good guys. (PHHS, page 109)

Respondents also suggested approaches to increasing M/WBE opportunities and capacities.

> I'm a big fan of being a participant in mentor-protégé programs because you learn how to stay in business. (Harris County, page 103)
>
> If the County were to follow any program on the civil side, it would be the State as opposed to the City. I think the State has a lot better program. They have lower goals, but they use commercially useful function. The City has no commercially useful function. They say they do, but they really don't. There's a lot of pass throughs because their goals are so high. A lot of pass throughs are used every day to meet the goals and to me that's not the purpose of what we're doing. (Harris County, page 106)
>
> Come out with a mentoring program that's goal-oriented and visible. (PHHS, page 110)
>
> A good mentor helps you with a lot of things that have nothing to do with that specific project but with your business. Helps you with your safety plan and quality control plans. (Dallas County, page 105)
>
> My recommendation is that they start to do lunch and learn where you get to meet with that department for hours specific to your line of business and now you're able to have a true one-on-one conversation, or even in a group setting of their size where we can ask specific questions to understand how to respond to these RFQs, RFPs better, because as it stands right now, it's the generic and generic gets you nowhere because you don't know what a person expects. And we all have a concept of how we work, but if that's not what the person's looking for, we miss every time. (Arlington, page 146)
>
> We've had a mentorship with [firm name] which has helped us immensely. Because I don't think we would have been able to walk through the doors or bid on the things that we've bid on or have the opportunity had we not had that mentorship. Because they had forged a path in places where I hadn't seen before. And I work in a very male dominated business in [specialty trade]. It's predominantly men. And there is some stigma with that. There are competency issues when you show up at a meeting and you're a woman and you're representing the [specialty trade] company. So, I'm really thankful for the

mentorship program because I think it's just something that helps open doors. (PHHS, page 110)

I'm hearing a lot of positive feedback on mentor-protégé [initiatives]. Because you write a really good mentor-protégé agreement and you have a great mentor, you can really learn a lot. (Dallas County, page 105)

Houston Community College has a lot of money that they have to put programs together. And they said if we will just call them and tell them what program we want, and we can get, say, 10 to 15 people in there, they'll design the program. So, you could put a mentoring program together for anybody. (Harris County, page 103)

I have some experience with J[oint] V[entures] and mentor-protégé relationships and they work but it depends on who you're partnering with. It's just like with anything. A JV is like a marriage. (Dallas County, page 105)

Our challenge [with acting as joint venture partner with a majority-owned firm] that we have when we're sitting at the table [is] we're really not in a decision-making position [with the majority-owned partner]. (Dallas County, page 105)

There should be contracts from which] the big boys should be completely excluded. (Dallas County, page 106)

C. Conclusion

Consistent with other evidence reported in this Study, the business owner interviews and data from other Texas studies strongly suggest that minorities and women continue to suffer discriminatory barriers to full and fair access to contracts and associated subcontracts in the Houston market area in general and in accessing Harris Health contracts in particular. Several M/WBEs reported negative perceptions and assumptions about their competency that reduced their ability to conduct business. Minorities and women still suffer from stereotyping and hostile environments. M/WBEs often had reduced opportunities to obtain contracts, and less access to formal and informal networks. A large number indicated that they were working well below their capacity.

Anecdotal evidence may "vividly complement" statistical evidence of discrimination. While not definitive proof that Harris Health may adopt race- and gender-conscious remedies for these impediments, the results of the qualitative data are the types of evidence that, especially when considered in conjunction with other evidence assembled, are relevant and probative of whether Harris Health has a sufficient evidentiary basis to adopt race- and gender-conscious measures.

VI. Recommendations for a Minority- and Woman-Owned Business Enterprise Program for Harris Health

The quantitative and qualitative data presented in this Study provide a thorough examination of whether minority- and woman-owned business enterprises ("M/WBEs") operating in Harris Health's geographic and procurement markets have full and fair opportunities to compete for its prime contracts and associated subcontracts. As required by strict constitutional scrutiny, we analyzed evidence of such firms' utilization by Harris Health as compared to their availability in its market area, as well as business owners' experiences in obtaining Harris Health work. We further analyzed M/WBEs' opportunities in the overall Houston area economy. These statistical and anecdotal data provide the evidence necessary to determine whether there is a strong basis in evidence that M/WBEs suffer discrimination in access to Harris Health contracts on the basis of race or gender, and if so, what narrowly tailored remedies are appropriate.

The Study results support the conclusion that Harris Health has a compelling interest in implementing a race- and gender-conscious contracting program. The record– both quantitative and qualitative– establishes that M/WBEs in Harris Health's market area continue to experience significant disparities in their access to Harris Health contracts and private sector opportunities and to the resources necessary for business success. These results provide a sufficient evidentiary basis for the use of narrowly tailored remedial race- and gender-based measures to ensure equal opportunities for all firms to do business with Harris Health.

As a general matter, Harris Health should model its program on the recently adopted program for Harris County. This new program contains all the elements necessary to meet strict constitutional scrutiny and embodies best practices for narrowly tailored M/WBE programs, including eligibility standards; contract specific goal setting procedures; flexible standards for review of bids and proposals; counting rules for contract goal credit; contract performance monitoring standards and processes; prompt payment enforcement mechanisms; contract close out procedures; sanctions policies; vendor outreach; and an electronic contracting monitoring system.

Based on the results of this Study, federal case law and national best practices for M/WBE programs, we recommend the following elements of a narrowly tailored M/WBE program. Given the need for extensive resources to administer a legally compliant and well-run program, we urge Harris Health to enter into an Interlocal Agreement ("ILA") with Harris County for the administration of several elements of Harris Health's new program. We note below where efficiencies can be obtained using this approach.

A. Implement Race- and Gender-Neutral Measures

The courts require that governments use race- and gender-neutral approaches to the maximum feasible extent to address identified discrimination. This is a critical element of narrowly tailoring the program, so that the burden on non-M/WBEs is no more than necessary to achieve the entity's remedial purposes. The following program elements will help to meet these standards.

1. Implement an Electronic Contracting Data Collection, Monitoring and Notification System

A critical element of this Study and a major challenge was data collection of full and complete prime contract and associated subcontract records. In addition to hindering research, the lack of a system will also make it very difficult to monitor and enforce any new initiatives. Adopting a good system is the most critical first step that Harris Health can take.

Harris Health should immediately implement an existing electronic data collection system with the following functionality:

- Full contact information for all firms, including email addresses, NAICS codes, race and gender ownership, and M/WBE and/or small business certification status.
- Contract/project-specific goal setting, using the data from this Study.
- Utilization plan capture for prime contractor submission of subcontractor utilization plans, including real-time verification of M/WBE certification status and NAICS codes, and proposed utilization/goal validation.
- Contract compliance for certified and non-certified prime contract and subcontract payments for all formally procured contracts for all tiers of all subcontractors, both M/WBEs and non-M/WBEs; verification of prompt payments to subcontractors; and information sharing between Harris Health, prime vendors and subcontractors about the status of pay applications.
- Program report generation that provides data on utilization by industries, race, gender, dollar amount, procurement method, etc.
- An integrated email notification and reminder engine to inform contractors of required actions, including reporting mandates and dates.
- Outreach tools for eBlasts and related communications, and event management for tracking registration and attendance.
- Access by authorized Harris Health staff, prime contractors and subcontractors to perform all necessary activities.

This is one element that can be outsourced to Harris County through the ILA.

2. Create a Senior Leadership Position to Oversee Business Diversity

Harris Health should create a new senior leadership position to oversee all efforts towards contracting diversity and inclusion. This new position should report directly to a member of the Harris Health System Executive Leadership team. This reporting structure will signal the importance of this function and provide it with the bureaucratic stature necessary to move new initiatives forward. This position should work very closely with Harris Health System Chief DE&I and all departments with contract related functions as well as Harris County Purchasing assigned to Harris Health. This position should also directly coordinate and interface with the Harris County Department of Economic Equity and Opportunity.

3. Increase Vendor Outreach and Communication to M/WBEs and Small Firms

Harris Health should conduct vendor outreach and “matchmaking” events for its larger or highly specialized projects. M/WBEs and non-M/WBEs suggested in the interviews that they welcomed such opportunities. Targeted email blasts about upcoming opportunities would also be helpful. Harris Health’s opportunities should also be included in events and activities conducted by Harris County, under the ILA.

Publishing an annual contracting forecast of larger contracts will assist vendors to plan their work and form teams. This is especially helpful for small firms with limited marketing resources. Providing information about upcoming bid opportunities[263] is one race- and gender-neutral measure that will assist all firms to access information.

Further, potential vendors requested training in how to do business with Harris Health in particular. In addition to developing written materials for its website, Harris Health should hold sessions and create training videos that provide information on all aspects of its contracting program.

4. Consider Partnering with Other Agencies and Local Organizations to Provide Bonding, Financing and Technical Assistance Programs

Both M/WBEs and non-M/WBEs supported providing services to assist M/WBEs to increase their skills and capabilities. Bonding and financing programs assist small firms by providing loans and issuing surety bonds to certified contractors, with low interest rates. The programs may also provide general banking services on favorable terms to applicant firms. In addition, technical assistance with critical business skills such as bidding, estimating, accounting, marketing, legal compliance, etc., could be made available in conjunction with the existing efforts of Houston area governments and organizations such as chambers of commerce, professional associations, community-based organizations, etc.

An important difference between the County's program and a program for Harris Health is that health systems contract with Group Purchasing Organizations ("GPOs"). To increase purchasing efficiencies and reduce costs, GPOs enter into large, national contracts on behalf of their members. This means that Harris Health does not directly contract and manage purchases through its GPO, and those dollars were not included in the analysis for this Report. Because Harris Heath does not directly contract with GPO vendors, it cannot set contract goals or insist that firms be certified as M/WBEs by agencies it recognizes. However, GPOs have in recent years recognized the value of supplier diversity and are taking steps to be more inclusive in their contracting activities.[264]

Given this structure, Harris Health should provide technical assistance to M/WBEs that seek to do business with GPOs. Sessions or training videos that explain the GPO structure, how to contact its buyers and approaches to successful bid submissions would be useful for firms seeking more opportunities with health care organizations.

B. Implement Race- and Gender-Conscious Measures

The discussed above, the Study's results support the determination that the County has a strong basis in evidence to implement a race- and gender-conscious M/WBE Program. The disparity results are stark:

[263] *See, for example*, the City of Chicago's Buying Opportunities page. https://www.chicago.gov/city/en/depts/dps/provdrs/contract/svcs/city-of-chicago-consolidated-buying-plan.html [chicago.gov].

[264] *See* https://www.premierinc.com/newsroom/education/innovative-strategies-in-healthcare-amplifying-the-business-case-for-supplier-diversity.

Table 6-1
Disparity Ratios by Demographic Group

	Black	Hispanic	Asian	Native American	MBE	White Woman	M/WBE	Non-M/WBE
Disparity Ratio	0.0%‡	48.5%‡	12.2%‡	0.0%‡	18.2%‡	101.2%	40.4%**‡	114.5%***

Source: CHA analysis of Harris Health data
*** Indicates statistical significance at the 0.001 level
** Indicates statistical significance at the 0.01 level
‡ Indicates substantive significance

The results of the economy-wide analyses are equally compelling. Data from the Census Bureau's *Survey of Business Owners* indicate very large disparities between M/WBE firms and non-M/WBE firms when examining the sales of all firms, the sales of employer firms (firms that employ at least one worker), or the payroll of employer firms. Similarly, data from the Census Bureau's *American Community Survey* ("ACS") indicate that Blacks, Hispanics and White women were underutilized relative to White men. Controlling for other factors relevant to business outcomes, wages and business earnings were lower for these groups compared to White men. Data from the ACS further indicate that non-Whites and White women are less likely to form businesses compared to similarly situated White men.

Our interviews, for this Report and our other Texas studies, with M/WBEs about their experiences in the County's market area further revealed the existence of persistent barriers on the basis of race and/or gender. Many M/WBEs reported that they still encounter barriers based on race and/or gender and that without affirmative intervention to increase opportunities through contract goals, they will continue to be denied full opportunities to compete.

This overwhelming quantitative and anecdotal evidence presents the "strong basis in evidence" that the courts require to support a race- and gender-conscious relief. Without targeted efforts to reduce discriminatory barriers, minorities and women will likely continue to face diminished opportunities because of the race or gender of the firm's owner(s). We therefore recommend the adoption of a new Program with the following major elements.

1. Adopt an Overall, Aspirational Goal for a New M/WBE Program

Harris Health should set an annual, overall target for M/WBE utilization on its non-GPO contracts (prime contracts and subcontracts combined). The availability estimates in Chapter III should be the basis for consideration of the overall, annual spending target for Harris Health funds. We found the weighted availability of M/WBEs to be 19.5%, which would support an overall goal of 20% for spending with certified firms across all industry categories.

2. Use the Study as the Starting Point in Setting Narrowly Tailored Contract Goals

In addition to setting an overall, annual target, Harris Health should use the Study's detailed unweighted availability estimates as the starting point for contract specific goals. As discussed in Chapter II of the Study, Harris Health's constitutional responsibility is to ensure that a goal is narrowly tailored to the specifics of the project. The detailed availability estimates in the Study can serve as the starting point for contract goal setting. A high-quality contracting data collection, monitoring and notification system should include a goal setting module that Harris Health should use as its data source. This methodology involves four steps:

- Weight the estimated dollar value of the scopes of the contract by six-digit NAICS codes, as determined during the process of creating the solicitation. To increase understanding and compliance, these industry codes could be listed in the solicitation as a guide to how the goal was determined and where Harris Health expects bidders to seek M/WBE participation. Good faith efforts could be defined as, among several other elements, an adequate solicitation of firms certified in these codes.
- Determine the unweighted availability of M/WBEs in those scopes as estimated in the Study.
- Calculate a weighted goal based upon the scopes and the availability of firms.
- Adjust the resulting percentage based on current market conditions.[265]

Contract goal setting is a function that could be outsourced through the ILA.

3. Adopt Narrowly Tailored Program Eligibility Standards

Program eligibility should be limited to firms that have a business presence in the Houston market area, as established by this Study, or that can demonstrate that they have done business within that market area.[266]

Harris Health's new program should accept M/W/DBE certifications from the Texas Unified Certification Program, the State of Texas' HUB program, and the City of Houston. These are the certifications accepted by Harris County. However, it will be Harris Health's constitutional responsibility, to ensure that the certifications it accepts are from narrowly tailored programs with demonstrated integrity.

4. Implement Rigorous Compliance and Monitoring Policies and Procedures

In addition to ensuring that the new M/WBE program sets narrowly tailored goals and eligibility requirements, it is essential that Harris Health adopt contract award and performance standards for program compliance and monitoring that are likewise narrowly tailored and embody best practices. In general, compliance and monitoring should include the following elements:

- Clearly delineated policies and forms by which a bidder or proposer can establish that it has either met the contract goal(s) or made good faith efforts to do so.
- Rules for how participation by certified firms will be counted towards the goal(s). A firm must perform a "commercially useful function" in order to be counted for goal attainment. The manner in which various types of goods or services will be credited towards meeting goals must be clearly spelled out (for example, whether full credit will be given for purchases from certified regular dealers or suppliers). Certified prime vendors should be permitted to count their self-performance towards meeting the contract goal.
- Contract monitoring policies, procedures and data collection processes. This must include tracking the utilization of certified and non-certified subcontractors at all tiers of performance and monitoring prompt payment obligations of prime contractors to subcontractors. Harris Health staff must perform site visits to meet these requirements.

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[265] For a thorough explanation of how to set legally defensible and narrowly tailored contract goals, visit www.contractgoalsetting.com.

[266] Harris Health's market consists of the four counties within the Houston metropolitan area – Harris, Galveston, Montgomery, and Fort Bend.

- Criteria and processes for how non-performing, certified firms can be substituted during performance.
- Contract closeout procedures and standards for sanctions for firms that fail to meet their contractual requirements under the program.
- A process to appeal adverse determinations under the program that meets due process standards.

Contract compliance and monitoring are functions that could be outsourced through the ILA.

5. Provide Training for all Harris Health Staff with Contracting Responsibilities or Vendor Interface

A new program will require an entity-wide roll out, as well as training of all personnel with contracting and vendor management responsibilities. In addition to providing technical information on compliance, it is also an opportunity to reaffirm Harris Health's commitment to business diversity and encourage all departments to buy into these values and objectives.

6. **Provide Training for Vendors on the New Program**

It will be important for Harris Health to provide some formal training on these proposed new program elements, even if most of the program administration is outsourced to the County. This could consist of web-based seminars that would answer questions such as who is eligible; how to become certified; how to meet goals or establish good faith efforts to do so; how to use the compliance monitoring system; prompt payment obligations; subcontractor substitution; and contract close out. Information should further cover resources to assist small businesses, such as loan programs, accessing local Procurement Technical Assistance Centers, and other support.

C. Develop Performance Standards

To meet the requirements of strict constitutional scrutiny and ensure that best practices in program administration continue to be applied, Harris Health should conduct a full and thorough review of the evidentiary basis for a new M/WBE program approximately every five to seven years.

Harris Health should develop quantitative performance measures for overall success of its race- and gender-neutral measures and any M/WBE program to evaluate the effectiveness of various approaches in reducing the systemic barriers identified by the Study. In addition to meeting goals, possible benchmarks might be:

- Progress towards meeting the overall, annual M/WBE goal.
- The number of bids or proposals, industry and the dollar amount of the awards and the goal shortfall, where the bidder was unable to meet the goals and submitted good faith efforts to do so.
- The number, dollar amount and the industry code of bids or proposals rejected as non-responsive for failure to make good faith efforts to meet the goal.
- The number, industry and dollar amount of M/WBE substitutions during contract performance.
- Increased bidding by certified firms as prime vendors.
- Increased prime contract awards to certified firms.
- Increased "capacity" of certified firms, as measured by bonding limits, size of jobs, profitability, complexity of work, etc.

- Increased variety in the industries in which M/WBEs are awarded prime contracts and subcontracts.

D. Establish a Program Sunset Date

Harris Health should adopt a sunset date for the M/WBE program unless reauthorized. This is a constitutional requirement to meet the narrow tailoring test that race- and gender-conscious measures be used only when necessary. A new disparity study should be commissioned in time to meet the sunset date.

Appendix A: Further Explanation of the Multiple Regression Analysis

As explained in the report, multiple regression statistical techniques seek to explore the relationship between a set of independent variables and a dependent variable. The following equation is a way to visualize this relationship:

$$DV = f(D, I, O)$$

where DV is the dependent variable; D is a set of demographic variables; I is a set of industry & occupation variables; and O is a set of other independent variables.

The estimation process takes this equation and transforms it into:

$$DV = C + (\beta 1 * D) + (\beta 2 * I) + (\beta 3 * O) + \mu$$

where C is the constant term; β1, β2 and β3 are coefficients, and μ is the random error term.

The statistical technique seeks to estimate the values of the constant term and the coefficients.

In order to complete the estimation, the set of independent variables must be operationalized. For demographic variables, the estimation used race, gender and age. For industry and occupation variables, the relevant industry and occupation were utilized. For the other variables, age and education were used.

A coefficient was estimated for each independent variable. The broad idea is that a person's wage or earnings is dependent upon the person's race, gender, age, industry, occupation, and education. Since this report examined Harris Health Systems, the analysis was limited to data from the Houston-the Woodlands-Sugarland MSA, which consists of Harris, Fort Bend, Montgomery, Liberty, Austin, Brazoria, Waller, Galveston, and Chambers counties. The coefficient for the new variable showed the impact of being a member of that race or gender in the metropolitan area.

Appendix B: Further Explanation of the Probit Regression Analysis

Probit regression is a special type of regression analysis. Probit regression analysis is used to explore the determinants of business formation because the question of business formation is a "yes" or "no" question: the individual does or does not form a business. Hence, the dependent variable (business formation) is a dichotomous one with a value of "one" or "zero". This differs from the question of the impact of race and gender of wages, for instance, because wage is a continuous variable and can have any non- negative value. Since business formation is a "yes/no" issue, the fundamental issue is: how do the dependent variables (race, gender, etc.) impact the probability that a particular group forms a business? Does the race or gender of a person raise or lower the probability he or she will form a business and by what degree does this probability change? The standard regression model does not examine probabilities; it examines if the level of a variable (*e.g.*, the wage) rises or falls because of race or gender and the magnitude of this change.

The basic probit regression model looks identical to the basic standard regression model:

$$DV = f(D, I, O)$$

where DV is the dependent variable; D is a set of demographic variables; I is a set of industry and occupation variables; and O is a set of other independent variables.

The estimation process takes this equation and transforms it into:

$$DV = C + (\beta 1 * D) + (\beta 2 * I) + (\beta 3 * O) + \mu$$

where C is the constant term; β1, β2, and β3 are coefficients, and μ is the random error term.

As discussed above, the dependent variable in the standard regression model is continuous and can take on many values while in the probit model, the dependent variable is dichotomous and can take on only two values: zero or one. The two models also differ in the interpretation of the independent variables' coefficients, in the standard model, the interpretation is fairly straight-forward: the unit change in the independent variable impacts the dependent variable by the amount of the coefficient.[267] However, in the probit model, because the model is examining changes in probabilities, the initial coefficients cannot be interpreted this way. One additional computation step of the initial coefficient must be undertaken in order to yield a result that indicates how the change in the independent variable affects the probability of an event (*e.g.*, business formation) occurring For instance, with the question of the impact of gender on business formation, if the independent variable was WOMAN (with a value of 0 if the individual was male and 1 if the individual was female) and the additional computation chance of the coefficient of WOMAN yielded a value of -0.12, we would interpret this to mean that women have a 12 percent lower probability of forming a business compared to men.

[267] The exact interpretation depends upon the functional form of the model.

Appendix C: Significance Levels

Many tables in this Report contain asterisks indicating that a number has statistical significance at 0.001, 0.01, or 0.05 levels (sometimes, this is presented as 99.9 percent; 99 percent and 95 percent, respectively) and the body of the report repeats these descriptions. While the use of the term seems important, it is not self-evident what the term means. This Appendix provides a general explanation of significance levels.

This Report seeks to address the question of whether or not non-Whites and White women received disparate treatment in the economy relative to White males. From a statistical viewpoint, this primary question has two sub-questions:

- What is the relationship between the independent variable and the dependent variable?
- What is the probability that the relationship between the independent variable and the dependent variable is equal to zero?

For example, an important question facing Harris Health Systems as it explores whether each racial and ethnic group and White women continue to experience discrimination in its markets is do non-Whites and White women receive lower wages than White men? As discussed in Appendix A, one way to uncover the relationship between the dependent variable (*e.g.*, wages) and the independent variable (*e.g.*, non-Whites) is through multiple regression analysis. An example helps to explain this concept.

Let us say, for example, that this analysis determines that non-Whites receive wages that are 35 percent less than White men after controlling for other factors, such as education and industry, which might account for the differences in wages. However, this finding is only an estimate of the relationship between the independent variable (*e.g.*, non-Whites) and the dependent variable (*e.g.*, wages) – the first sub-question. It is still important to determine how accurate the estimation is. In other words, what is the probability that the estimated relationship is equal to zero – the second sub-question.

To resolve the second sub-question, statistical hypothesis tests are utilized. Hypothesis testing assumes that there is no relationship between belonging to a particular demographic group and the level of economic utilization relative to White men (*e.g.*, non-Whites earn identical wages compared to White men or non-Whites earn 0 percent less than White men). This sometimes is called the null hypothesis. We then calculate a confidence interval to find the probability that the observed relationship (*e.g.*, -35 percent) is between 0 and minus that confidence interval.[268] The confidence interval will vary depending upon the level of confidence (statistical significance) we wish to have in our conclusion. When a number is statistically significant at the 0.001 level, this indicates that we can be 99.9 percent certain that the number in question (in this example, -35 percent) lies outside of the confidence interval. When a number is statistically significant at the 0.01 level, this indicates that we can be 99.0 percent certain that the number in question lies outside of the confidence interval. When a number is statistically significant at the 0.05 level, this indicates that we can be 95.0 percent certain that the number in question lies outside of the confidence interval.

[268] Because 0 can only be greater than -35 percent, we only speak of "minus the confidence level". This is a one-tailed hypothesis test. If, in another example, the observed relationship could be above or below the hypothesized value, then we would say "plus or minus the confidence level" and this would be a two-tailed test.

Appendix D: Unweighted and Weighted Availability

Central to the analysis, under strict constitutional scrutiny, of an agency's contracting activity is understanding what firms could have received contracts. Availability has two components: unweighted availability and weighted availability. Below we define these two terms; why we make the distinction; and how to convert unweighted availability into weighted availability.

Defining Unweighted and Weighted Availability

Unweighted availability measures a group's share of all firms that could receive a contract or subcontract. If 100 firms could receive a contract and 15 of these firms are minority-owned, then MBE unweighted availability is 15 percent (15/100). *Weighted availability* converts the unweighted availability through the use of a weighting factor: the share of total agency spending in a particular NAICS code. If total agency spending is $1,000,000 and NAICS Code AAAAAA captures $100,000 of the total spending, then the weighting factor for NAICS code AAAAAA is 10 percent ($100,000/$1,000,000).

Why *Weight* the Unweighted Availability

It is important to understand *why* weighted availability should be calculated. A disparity study examines the overall contracting activity of an agency by looking at the firms that *received* contracts and the firms that *could have received* contracts. A proper analysis does not allow activity in a NAICS code that is not important an agency's overall spending behavior to have a disproportionate impact on the analysis. In other words, the availability of a certain group in a specific NAICS code in which the agency spends few of its dollars should have less importance to the analysis than the availability of a certain group in another NAICS code where the agency spends a large share of its dollars.

To account for these differences, the availability in each NAICS code is weighted by the agency's spending in the code. The calculation of the weighted availability compares the firms that received contracts (utilization) and the firms that could receive contracts (availability). Utilization is a group's share of total spending by an agency; this metric is measure in dollars, *i.e.*, MBEs received 8 percent of all dollars spent by the agency. Since utilization is measured in dollars, availability must be measured in dollars to permit an "apples-to-apples" comparison.

How to Calculate the Weighted Availability

Three steps are involved in converting unweighted availability into weighted availability:

- Determine the unweighted availability
- Determine the weights for each NAICS code
- Apply the weights to the unweighted availability to calculate weighted availability

The following is a hypothetical calculation.

Table A contains data on unweighted availability measured by the number of firms:

TABLE A

NAICS	Black	Hispanic	Asian	Native American	White Women	Non-M/W/DBE	Total
AAAAAA	10	20	20	5	15	400	470
BBBBBB	20	15	15	4	16	410	480
CCCCCC	10	10	18	3	17	420	478
TOTAL	40	45	53	12	48	1230	1428

Unweighted availability measured as the share of firms requires us to divide the number of firms in each group by the total number of firms (the last column in Table A). For example, the Black share of total firms in NAICS code AAAAAA is 2.1 percent (10/470). Table B presents the unweighted availability measure as a group's share of all firms.

TABLE B

NAICS	Black	Hispanic	Asian	Native American	White Women	Non-M/W/DBE	Total
AAAAAA	2.1%	4.3%	4.3%	1.1%	3.2%	85.1%	100.0%
BBBBBB	4.2%	3.1%	3.1%	0.8%	3.3%	85.4%	100.0%
CCCCCC	2.1%	2.1%	3.8%	0.6%	3.6%	87.9%	100.0%
TOTAL	2.8%	3.2%	3.7%	0.8%	3.4%	86.1%	100.0%

Table C presents data on the agency's spending in each NAICS code:

TABLE C

NAICS	Total Dollars	Share
AAAAAA	$1,000.00	22.2%
BBBBBB	$1,500.00	33.3%
CCCCCC	$2,000.00	44.4%
TOTAL	$4,500.00	100.0%

Each NAICS code's share of total agency spending (the last column in Table C) is the weight from each NAICS code that will be used in calculating the weighted availability. To calculate the overall weighted availability for each group, we first derive every NAICS code component of a group's overall weighted availability. This is done by multiplying the NAICS code weight by the particular group's unweighted availability in that NAICS code. For instance, to determine NAICS code AAAAAA's component of the overall Black weighted availability, we would multiply 22.2 percent (the NAICS code weight) by 2.1 percent (the Black unweighted availability in NAICS

code AAAAAA). The resulting number is 0.005 and this number is found in Table D under the cell which presents NAICS code AAAAAA's share of the Black weighted availability. The procedure is repeated for each group in each NAICS code. The calculation is completed by adding up each NAICS component for a particular group to calculate that group's overall weighted availability. Table D presents this information:

TABLE D

NAICS	Black	Hispanic	Asian	Native American	White Women	Non-M/W/DBE
AAAAAA	0.005	0.009	0.009	0.002	0.007	0.189
BBBBBB	0.014	0.010	0.010	0.003	0.011	0.285
CCCCCC	0.009	0.009	0.017	0.003	0.016	0.391
TOTAL	0.028	0.029	0.037	0.008	0.034	0.864

To determine the overall *weighted availability*, the last row of Table D is converted into a percentage *(e.g.*, for the Black weighted availability: 0.028 * 100 = 2.8 percent). Table E presents these results.

TABLE E

Black	Hispanic	Asian	Native American	White Women	Non-MWBE	Total
2.8%	2.9%	3.7%	0.8%	3.4%	86.4%	100.0%

Appendix E: Qualitative Evidence from Texas Disparity Studies

In addition to the anecdotal data collected for this study and provided in the Qualitative chapter of this report, Colette Holt & Associates has conducted several studies in Texas over the last few years that shed light on the experiences of minority- and woman-owned firms in the Texas marketplace.

This summary of anecdotal reports provides an overview of the following Disparity Studies: Travis County 2021 ("Travis County"); the Dallas Fort Worth International Airport 2019 ("DFW"); Texas Department of Transportation 2019 ("TxDOT"), Dallas County 2015 ("Dallas County"), Parkland Health and Hospital System 2015 ("PHHS"), Harris County 2020 ("Harris County"), the City of Arlington ("Arlington"); and the City of Fort Worth ("Fort Worth").

1. Discriminatory Attitudes and Negative Perceptions of Competency and Professionalism

Many minority and women owners reported being stigmatized by their race and/or gender. Subtle and overt stereotyping and race and gender discrimination were commonplace. Respondents reported that White men often evince negative attitudes concerning their competency, skill and professionalism.

Biases about the capabilities of minority and women business owners impact all aspects of their attempts to obtain contracts and to be treated equally in performing contract work. The prevailing viewpoint is that M/WBEs and smaller firms are less qualified and capable.

> Racism still exists and the construction industry is one that still has a lot of small to mid-size businesses that still discriminate. (Travis County, page 200)
>
> One of the biggest general contractors in this part of Texas got up and says, "I don't want to do business with [minorities].… The only reason why I'm here is because I got a contract and the state is paying for it, or else I wouldn't be doing business with you. (Harris County, page 95)
>
> I've been told not to mention that we are a HUB/WOSB because we will not be taken seriously. (Travis County, page 203)
>
> Stigma sometimes can come from leading your marketing with M/WBE status, and that's a quick way to [not get work]. (DFW, page 158)
>
> Sometimes, I choose not to present myself as a minority contractor.… Obviously, when people meet me, [being an MBE] they assume certain things. As they get to know me and understand that I can speak construction, that I'm bilingual, that I speak engineering, then I get the comment, "Oh, you're different." Or, "You're educated."… I do think that there is a stigma" [to being an MBE]. (DFW, page 158)
>
> I try not to use my accent. And treatment is completely different, completely different [if they think I am White]. (TxDOT, page 161)

> [Agency staff and prime vendors] are looking down at you because you are a woman. Because you're a woman, you probably didn't know IT. (Dallas County, page 104) (PHHS, page 107)

> There's still this stigma. "Well, I guess, you know, we'll see what the little girls are doing over there." (DFW, page 158)

> There are many women owned businesses who are trying today to survive in the male-owned, if you want to say good old boy, Texas network. Many of us. And it does keep us down because of the perception of what the woman knows in math and science as you negotiate with engineers. (Dallas County, page 102)

> When a White firm commits an offense, something goes wrong, they say run his ass off. Not the firm, but the architect or that manager who did a poor job. If it's an African-American firm or Hispanic firm, run the company off. (PHHS, page 108) (Dallas County, page 103)

> People of color do not get the same credit even if their financials and credit scores are the same.… [A White man has] got a little bit more credit than you did. And then there was a slowdown in paid invoices, [he's] a big GC and he floats it because he's got a little more credit. And then people turn around, "Hey, that guy's a good business. Joe Man Black over here, Hispanic, he doesn't know how to manage his business." All he did was access his credit line. And if he would've had his credit line, he could do it, too. It's like he ain't stupid. If he had a credit line, he'd access it when he needs it.… So then, [non-M/WBEs] look like they're better business people, not because they're better business people, but because people are carrying them. (Fort Worth, page 137)

> It's a daily struggle [against racial harassment]. I have to hide the fact that I'm black and female in order to even to be considered. (Travis County, page 200)

> I work in tech and experience a variety of gender-related harassment as a matter of course. (Travis County, page 202)

> There's definitely on fees, an expectation, that if you are woman-owned or minority-owned firm, that you're going to do the work for less. Same work, for less. (Harris County, page 95)

> Received questioning of competency on ability and knowledge in landscape construction during installation of a major project. Not uncommon for another contractor or sub to avoid asking a female on our team by asking a male on our team. (Travis County, page 202)

Many women reported unfair treatment or sexual harassment in the business world.

> Sometimes I get statements like, "Are you sure you can do the work?" (TxDOT, page 162)

> Fieldwork opportunities [are] sometimes not offered due to difficulty creating women-only overnight accommodations. (Travis County, page 203)

I've dealt with [TxDOT staff] that just thought I was dumb as dirt because I'm a woman, but this was a woman. (TxDOT, page 163)

I still do find the initial contact with specifically, a general contractor, there is somewhat that attitude of you're a woman, let me tell you how to do this. (TxDOT, page 162)

I've had people ask if my husband started and/or runs the business. I'm single. (Travis County, page 201)

In general, [I] have to limit the networking activities we participate in to avoid potential sexual harassment situations with potential customers. (Travis County, page 200)

You get a lot of that. You're a woman, pat you on the head and say it's nice that you came today. Then, all the sudden, they'll be over there doing their thing and you sit there and hear what they're saying. You're like, that's not gonna be to code buddy and good luck with that. They look at you like, how do you know that? This is my job to know those things (TxDOT, page 162)

I have offered to go out and market more for the company and… some guys that were sitting in the back, they said, "Well, we really need somebody very young and pretty and dresses very nice to go out and market, 'cause they get the attention." "Excuse me?" I think I can do a good job marketing, but I … don't meet those qualifications. (TxDOT, page 163)

I've had dinner encounters … I've had a guy grab me at one of those.… I definitely do make it a point to not ride with certain people that I don't feel comfortable with. (DFW, page 158)

2. Access to Formal and Informal Business and Professional Networks

Both minority and women respondents reported difficulty in accessing networks and fostering relationships necessary for professional success and viability. This difficulty extended to agency staff; respondents were unable to gain access to and communicate with key agency decisionmakers. Business owners frequently stated that Texas is a "good old boy" state (TxDOT, page 161; Dallas County, page 102; Fort Worth, page 134) and that it is difficult for new firms to gain entry into a predominantly White and male-dominated industry. (DFW, page 158).

The transportation industry as a whole is dominated by the civil engineers, which typically the folks graduating in civil engineering are white men. You have a very low proportion of women and minorities with those degrees. Inherently, then in the workplace, you're seeing very low amounts of diversity. Same things in environmental services. You don't get a lot of women who are wildlife biologists. Someone with that type of experience typically has been hunting and fishing with his father and his grandpa their entire lives and they have a good old boys club. They go drinking, they go fishing, they go playing golf. (TxDOT, page 162)

You call and call and call [prime vendors] and you sort of feel like you're just bugging them. But they never call back. They never do anything. So, just seems like they're just used to doing business with the same companies and that's who they choose to do business with. (Harris County, page 100)

They still see women as a support system. They do not see us as business people. We are stepping out, and we are, women are coming on. Men, I hate to put it, y'all better get ready because the women are in the labor force, they're coming hard, and they're coming fast. (Fort Worth, page 136)

Yes, based on history and experience, I have not had access to the same contracting opportunities that larger firms with more history in the area, larger workforces with marketing departments, and better name recognition. (Travis County, page 205)

You're not in the frat. You didn't get the letter, you know? You didn't get the call. But whatever you need to do to get in, you need to figure it out. (Harris County, page 100)

[Texas is] a good old boy state. It is a fact of life whether you're a woman, small business, whatever. Ladies, the only way we get a chance is we have to legally stand up and demand that we get a fair trial, that we be put on a level playing field by having rules and regulations. … [Women] are always behind. We will always be behind in this state. (Dallas County, page 101)

I believe it's about who you know, so although I am HUB certified and applied for business opportunities, I believe I am still not given the information needed to help me execute the opportunity (Travis County, page 204)

We are always at a disadvantage because we are not in a situation where we can build these relationships. Going to the country club here and having lunch with the mayor and with all of the CEOs of the companies around here. So, the playing field is not level, and it is discriminatory because we're not in a position to build those relationships. (Arlington, page 143).

Many large firms and clients believe HUB or DBE firms do not do good work. We are often looked down on because we have a HUB or DBE certification. (Travis County, page 203)

I've been raised in Fort Worth my whole life and so it's still a very much a good old boys club here in Fort Worth. I spend 90 percent of my time in Dallas. And I live in Fort Worth. (Fort Worth, page 134)

It is not difficult to get a sense that, for construction work, a preference exists for a male focused company to be the contractor or sub, particularly when the room is packed with males (example, a "get to know the prime" event). When standing in line to discuss a project with a prime, the men before and after have been given more time, discussion, sincerity, and contact info for additional work than our females have received from the GC's reps at the event. It is not an isolated thing. (Travis County, page 203)

I'm a lifelong Fort Worth resident and taxpayer and it's very disheartening that the City of Dallas has actually been a lot easier as a small minority business. There are certain aspects of the good old boys' club [you see] attending some of the pre-bids. You do see a lot of kind of favoritism and partiality to the contractors that are there and some of the City officials. (Fort Worth, page 134)

In presenting the various options and moving forward from concept into detail design, sitting around a room, and except for maybe an architect, I was always the only woman at the table. It's an expertise that I've carried for many years, and literally, repeated to the owners of a government entity, would present the case and why this is the recommendation to move forward. And it would be silence in the room. And then, this junior, who was not even a licensed P[rofessional] E[ngineer] yet, working underneath of me, who helped me put the slides together, and did some of the analysis under my leadership, would – they'd ask a couple of questions and this young man would answer the questions based on the slides and flipping back and forth. And then all of a sudden, the recommendation was accepted because this young man, who was my employee, was giving the answer instead of me. (Harris County, page 96)

There are many women owned businesses who are trying today to survive in the male-owned, if you want to say good old boy, Texas network. Many of us. An, it does keep us down because of the perception of what the woman knows in math and science, as you negotiate with engineers. (Dallas County, page 102)

My industry it is extremely male dominant. … They say, " Oh, there's a girl, there's a woman. What is she here for? Who does she work for? … That's [name]. Oh, she owns her own company. She's a little bitty company. She's nothing to worry about." Well, I'm going to be silent and deadly and they're going to watch because I'm coming. (Fort Worth, page 135)

The County and the hospital … do tell you about the opportunities. The problem is you can't get into the inner circle [of agency decision makers]. (Dallas County, page 102)

[There is an] inability to get in front of the key decision makers [at the agencies].… I reached out to the executive assistant to the C[hief] I[information] O[fficer] and no one has responded at all. (PHHS, page 107)

Large firms have the resources to donate money to local politicians and often receive information about opportunities that are not available to others. (Travis County, page 205)

Vendor lack of experience with small businesses results in questioning a business' capabilities. (Travis County, page 205)

3. Obtaining Work on an Equal Basis

Respondents reported that institutional and discriminatory barriers continue to exist in the Texas marketplace. They were in almost unanimous agreement that contract goals remain necessary to level the playing field and equalize opportunities. Race- and gender-neutral approaches alone are viewed as inadequate and unlikely to ensure a level playing field.

If it's not a project that has a goal, they're not bringing you to the table. (Dallas County, page 103)

There's no real aggressive movement on [the City's] part to recruit and require these plans to hire African-Americans. (Arlington, page 144)

I believe black businesses are stereotyped as less than equipped for major projects. (Travis County, page 200)

There is an entrenched bias in favor of the big company. They'll have the political connections, all that stuff. … They don't want to risk anything. They've got the good old boys, they got the whole comfy thing. (Arlington, pages 144-145).

Unless there's goals in the project, there is no business for small business. And even then, they try to skirt around it. And they'll use my credentials to actually go for it and then excuse me. (Dallas County, page 103)

My whole time as an MBE/HUB consultant [my competency has been questioned.] (Travis County, page 203)

I have never had a contract with a general contractor in 36 years that's private. Everything is government, and if the government didn't say use a minority, they wouldn't do it. (Harris County, page 97)

Until we received SBA funding, we were unable to get a loan of more than 10% of last year's revenue, which wasn't sufficient to scale our business. (Travis County, page (205)

Prime vendors see the goal as the ceiling, not as the floor. (Dallas County, page 103)

If you just looking at goals, goals in itself, without enforcements, it's not effective. (Harris County, page 101)

If it wasn't for that requirement, that MWB requirement, most of the businesses would probably have a very difficult time staying in business and my business, probably 80 percent of it [comes] just from these types of governmental projects that come along and it's no way that these primes would work with us … on projects that did not have an MWB requirement. (Fort Worth, page 137)

If the program went away, what would happen? You would lose small businesses. One, if you don't have relationships, people do business with who they know. If we don't have a program that says that there has to be utilization, participation levels, whatever that is, DBE goals MBE goals, they won't use them. (Fort Worth, page 137)

Part of the problem is accountability… The State [of Texas] has told me, with regard to submitting bids for the Texas HUB requirement, that I need to go back to the contractor, but the contractor is the problem…. The government doesn't hold the contractor accountable. (Harris County, page 102)

> The [City] work stopped as a result [of dropping Hispanic firms from the program]. It was not going to be helpful to [the prime proposer] to bring on my firm, because they wouldn't get any points in the grading of the proposals. So, therefore, I have not been able to do any work at all since. (Fort Worth, page 138)

> If [prime vendors] think they can get away with it, without having goals, then they're going to self-perform or they're going to use the folks that they have relationships with. And those folks don't necessarily look like us. (Dallas County, page 103)

> Until those [business relationships} are equal, you're going to have to keep on forcing numbers. And as quick as you force a number, they're going to come up with something to circumvent that number. (Dallas County, page 104)

> [Prime contractors] are like, why do I need you? Why do I need to give you any money? It's not required of me to do it. So, you may have the greatest relationship with them in the world but those larger firms, if they don't need to check the box so to speak, they're not going to reach out and say, hey, I want to help grow you more because in their mind I just helped you on this job get this much money, you should be happy and let me go do what I need to do. (Dallas County, page 103)

Minority and female entrepreneurs were also concerned about the inability to get work due to longstanding relationships that predate contracting affirmative action programs.

> [Larger white male-owned firms are] going to go and use the same company [with which they usually do business]. (PHHS, page 106)

> [People] tend to do business with who they know and who they like, and they really don't care that they're supposed to [meet a goal]. (Dallas County, page 103)

> And if you're not a DBE or HUB or SBE, you're not going to be considered for any work as a consultant for TxDOT because they're going to use these legacy firms for most of their work on the consulting side. (TxDOT study, page 164)

> There's this systemic nature of doing business with people you know. And we all like to do business with people we know. We know that they'll come through. They'll be on time. They'll be under budget. … [But] the systemic aspect of familiarity for others sometimes breeds contempt for the person trying to get in the door. (Fort Worth, page 133)

Respondents also maintained that prime contractors are not comfortable with minorities taking larger roles. They indicated that even M/WBEs who had accessed large public contracts through M/WBE programs did not translate into public sector work.

> Do we really want to play this game and how much headache and how much headache do we want to deal with? ... We employ 75 employees and I've had minorities grow through our organization. But, the challenge that I have is now that we're able to bond single projects up to 15, 18 million dollars, I'm getting a bigger pushback. … When we can sit down and start talking business and how we're going to staff the job, going to put my bonding up, what's the duration and the schedule? [The large general contractors are] doing this, no, no, no [shaking head]. (Dallas County, page 104)

> You get in a niche of being a DBE and you're automatically a sub. … We've had a lot of success in the DBE market and I'm not going to downplay that, but as a prime, we don't get a lot. We end up getting a smaller piece so you can do the hydraulics, or you can do the survey but the true design work for plan and profile on a street or something like that where we can actually show expertise in engineering, we're not given that piece of the pie. (Arlington, page 145).
>
> [A general contractor, which this MBE had worked on major project jobs, when approached about a private sector project, responded] there's no MWBE [goal] on this: I said, wait a minute. We just worked together for five years, you know me. Yes, but there's not MWBE goals. I said, you mean to tell me I can't do [scope]? It's right across the street from my headquarters. Well, there's no MWBE goals. So, he's one of the good guys. (PHHS, page 109)

Respondents also suggested approaches to increasing M/WBE opportunities and capacities.

> Come out with a mentoring program that's goal-oriented and visible. (PHHS, page 110)
>
> A good mentor helps you with a lot of things that have nothing to do with that specific project but with your business. Helps you with your safety plan and quality control plans (Dallas County, page 105)
>
> My recommendation is that they start to do lunch and learn where you get to meet with that department for hours specific to your line of business and now you're able to have a true one-on-one conversation, or even in a group setting of their size where we can ask specific questions to understand how to respond to these RFQs, RFPs better, because as it stands right now, it's the generic and generic gets you nowhere because you don't know what a person expects. And we all have a concept of how we work, but if that's not what the person's looking for, we miss every time. (Arlington, page 146).
>
> We've had a mentorship with [firm name] which has helped us immensely. Because I don't think we would have been able to walk through the doors or bid on the things that we've bid on or have the opportunity had we not had that mentorship. Because they had forged a path in places where I hadn't seen before. And I work in a very male dominated business in [specialty trade]. It's predominantly men. And there is some stigma with that. There are competency issues when you show up at a meeting and you're a woman and you're representing the [specialty trade] company. So, I'm really thankful for the mentorship program because I think it's just something that helps open doors. (PHHS, page 110)
>
> I'm hearing a lot of positive feedback on mentor-protégé [initiatives]. Because you write a really good mentor-protégé agreement and you have a great mentor, you can really learn a lot. (Dallas County, page 105)
>
> Houston Community College has a lot of money that they have to put programs together. And they said if we will just call them and tell them what program we want, and we can get, say, 10 to 15 people in there, they'll design the program.

So, you could put a mentoring program together for anybody. (Harris County, page 103)

I have some experience with J[oint] V[entures] and mentor-protégé relationships and they work but it depends on A, who you're partnering with. It's just like with anything. A JV is like a marriage. (Dallas County, page 105)

Our challenge [with acting as joint venture partner with a majority-owned firm] that we have when we're sitting at the table [is] we're really not in a decision-making position [with the majority-owned partner]. (Dallas County, page 105)

There should be contracts from which] the big boys should be completely excluded. (Dallas County, page 106)

I'm a big fan of being a participant in mentor-protégé programs because you learn how to stay in business. (Harris County, page 103)

If the County were to follow any program on the civil side, it would be the State as opposed to the City. I think the State has a lot better program. They have lower goals, but they use commercially useful function. The City has no commercially useful function. They say they do, but they really don't. There's a lot of pass throughs because their goals are so high. A lot of pass throughs are used every day to meet the goals and to me that's not the purpose of what we're doing. (Harris County, page 106)

Thursday, April 28, 2022

Update Regarding Population Health Initiatives


Pillar 4: Population Health
Dr. Ann Barnes - SVP, Chief Health Officer - Population Health
Dr. Jennifer Small - EVP, Ambulatory Care Services
HARRISHEALTH SYSTEM

Pillar 4 – Population Health Management

HARRISHEALTH SYSTEM

Harris Health will measurably improve patient health outcomes by optimizing a cross-continuum approach to health that is anchored in high-impact preventive, virtual, and community-based services, deployed in coordination with clinical and social services partners, and underwritten by actionable population health analytics and technology.

Goal 1: Optimizing Harris Health's Ambulatory Care platform

Goal 2: Advancing a Cross-Continuum Approach to Improving Health, Coordinated Across Care Settings & Over Time

Goal 3: Integrating technology and analytics to support risk-stratified care management and rigorous evaluation of population health interventions on quality, costs and access

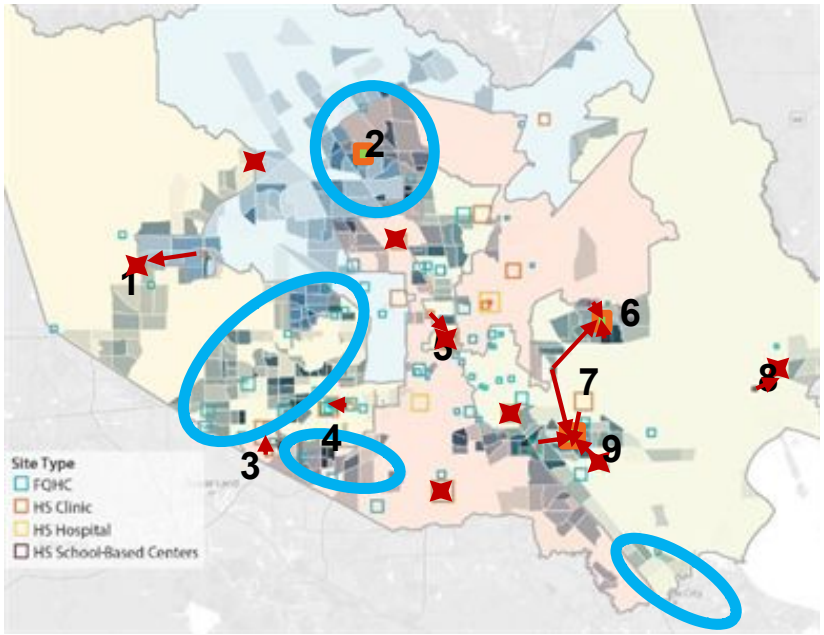
- ❑ Risk-stratified care management of key populations and service lines
- ❑ Enhanced patient outreach and care coordination
- ❑ Automated, refreshable dashboards for precision quality and process Improvement

Pillar 4 – Population Health Management

HARRISHEALTH SYSTEM

Goal 1 Objective 1 Tactic 1 Leverage community partnerships to optimize primary care network

- Build upon existing FQHC partnerships in priority partnership zones to enhance capacity and optimize care delivery.
- Transition to leverage relationships with FQHCs to provide bi-directional access for patients, including navigation of Harris Health patients to FQHCs.
- Identify Ambulatory Health Center locations in 5 – 10 mile proximity of priority partnership zones and assess the recommended services in need of improved access within each zone.
- Assess the FQHCs within 5 – 10 mile proximity of Ambulatory Health Centers and the services offered.
- Develop recommendations of needed services within each zone and the FQHC is capable of providing those services.



Northwest

5 Miles

- Acres Home Health Center

10 Miles

- Acres Home Health Center
- Aldine Health Center
- Cypress Health Center
- E. A. Squatty Lyons Health Center
- PAHC – CEO
- Settegast Health Center
- Northwest Health Center

West

5 Miles

- El Franco Lee Health Center
- Northwest Health Center
- Vallbona Health Center

10 Miles

- Acres Home Health Center
- Casa De Amigos Health Center
- Cypress Health Center
- El Franco Lee Health Center
- Northwest Health Center
- PAHC – CEO
- Vallbona Health Center

Southwest

5 Miles

- El Franco Lee Health Center
- Vallbona Health Center

10 Miles

- El Franco Lee Health Center
- Martin Luther King Health Center

Pillar 4 – Population Health Management

HARRISHEALTH SYSTEM

Health Centers Outside of a Zone

- Baytown Health Center
- Danny Jackson Health Center
- Gulfgate Health Center
- Pediatric & Adolescent Health Center – Pasadena
- Strawberry Health Center

Recommended Services by Zone

Northwest

- Behavioral Health Therapy
- Dental
- Ophthalmology
- Podiatry
- Psychiatry

West

- Behavioral Health Therapy
- Dental
- Mammography[1]
- Ophthalmology
- Pediatrics
- Pulmonology

Southwest

- Behavioral Health Therapy
- Dental
- Mammography[1]
- Pediatrics

Other/Outside Zone

- Behavioral Health Therapy
- Dental
- Endocrinology
- Mammography[1]
- OB/GYN
- Ophthalmology
- Pediatrics
- Psychiatry

[1] *Service provided at FQHC's in partnership with The Rose*

Pillar 4 – Population Health Management

HARRISHEALTH SYSTEM

Goal 1, Objective 1, Tactic 2: Enhance training and support of primary care for appropriate specialty conditions

- Optimize ambulatory care access through enhanced training and support of primary care for appropriate specialty conditions that could be managed within primary care.
- Identify specialty conditions that can be managed by primary care medical staff.
- Implement training for primary care medical staff for identified specialty conditions, leveraging specialists to assist with training.
- Navigate patients presenting to the EC for the identified specialty conditions to Same-Day clinics.
- Navigate patients with semi-urgent conditions that need to be seen in a specialty clinic within 72 hours.

Accomplishments:

Uncontrolled Asymptomatic HTN

- ACS Grand rounds were completed with a specialty panelist on the treatment of uncontrolled HTN in the primary care setting.
- HTN treatment resource guide posted in EPIC.

Uncontrolled Diabetes

- The addition of newer antidiabetic oral agents is included in the pharmacy formulary.
- Diabetes treatment algorithm is integrated within EPIC.

Expanded Scope of Same-Day Clinics

- Suturing of simple lacerations.
- Splinting of simple fractures.
- Expanding imaging ordering capability to CT and Ultrasounds.
- Communication was sent to all primary care providers in community health centers on the same day with the expanded scope of treating uncontrolled asymptomatic HTN after clinic hours and on weekends.
- Collaborating with the Transfer Center to ensure verbiage is added when transferring patients from the clinic setting to the EC. Verbiage to be added to clarify whether the patient's condition can be managed within the same-day clinic setting.

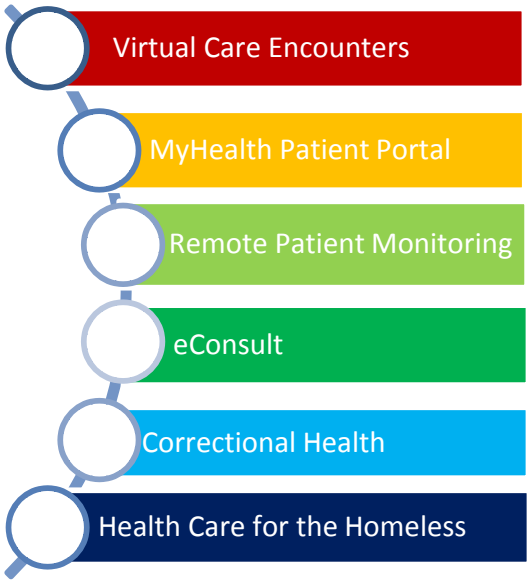
Expansion of Service Line Providing eConsult Services

- Expansion of primary care provider access to more specialty e-consults.
- Creation and implementation of urgent specialty refer for primary care providers.

Pillar 4 – Population Health Management

Goal 1, Objective 3, Tactic 1: Improve the effectiveness and efficiency of virtual care delivery

- Create an ecosystem of virtual care programs to enhance health care delivery for Harris Health patients.
- Increase access to health care by changing the culture of site delivery to include community access points, homes, homeless shelters, and encampments in addition to the traditional settings.



Initiative: AmWell Platform integration with Epic to enhance functionality and ease of use while completing video and audio encounters with patients.
Measure: Currently, 12.7% of all ACS encounters are virtual; **63.7% of all virtual visits are completed via video (Goal: 75%).**

Initiative: MyHealth relaunch campaign to engage patients in self-service functionality and patient-initiated care.
Measure: **50% of Harris Health System patients active in MyHealth (Goal is 50%)**; **2.1% of appointments scheduled in MyHealth (Goal is 10%)**; **2% of patients completing eCheck In (Goal is 10%)**; 663 eVisits through Q1 2022 initiated by patients (Goal is 2500 annually)

Initiative: HealthyConnect Remote Patient Monitoring; the program went live on 4/4/22 and currently has 408 enrolled and engaged patients.
Measure: 1) # of Condition or quality programs deployed 2) # Patients Enrolled 3) # of Patients Engaged 4) % of patients enrolled who are at goal for their program (hypertension 140/90) 5) Patient Satisfaction.

Initiative: Improve eConsults through process improvement review with specialty work groups and chiefs, as well as PCP Physician Champions to promote and educate providers.
Measure: 1075 per month over previous 6 months (goal is 1100 average monthly created orders)

Initiative: Virtual Specialty Care for indicated care offered in correctional health clinics (scope of work in progress)
Measure: Decrease in incarcerated or detained patients transported for outpatient appointments and EC visits

Initiative: Reduce specialty no-show rates and improve access to care through augmented care delivery in shelters and encampments using technology to bring the providers to where the patients are. Expand access to behavioral health resources, education, and support.
Measure: Goals are in discussion with program leaders and providers.

Pillar 4 – Population Health Management

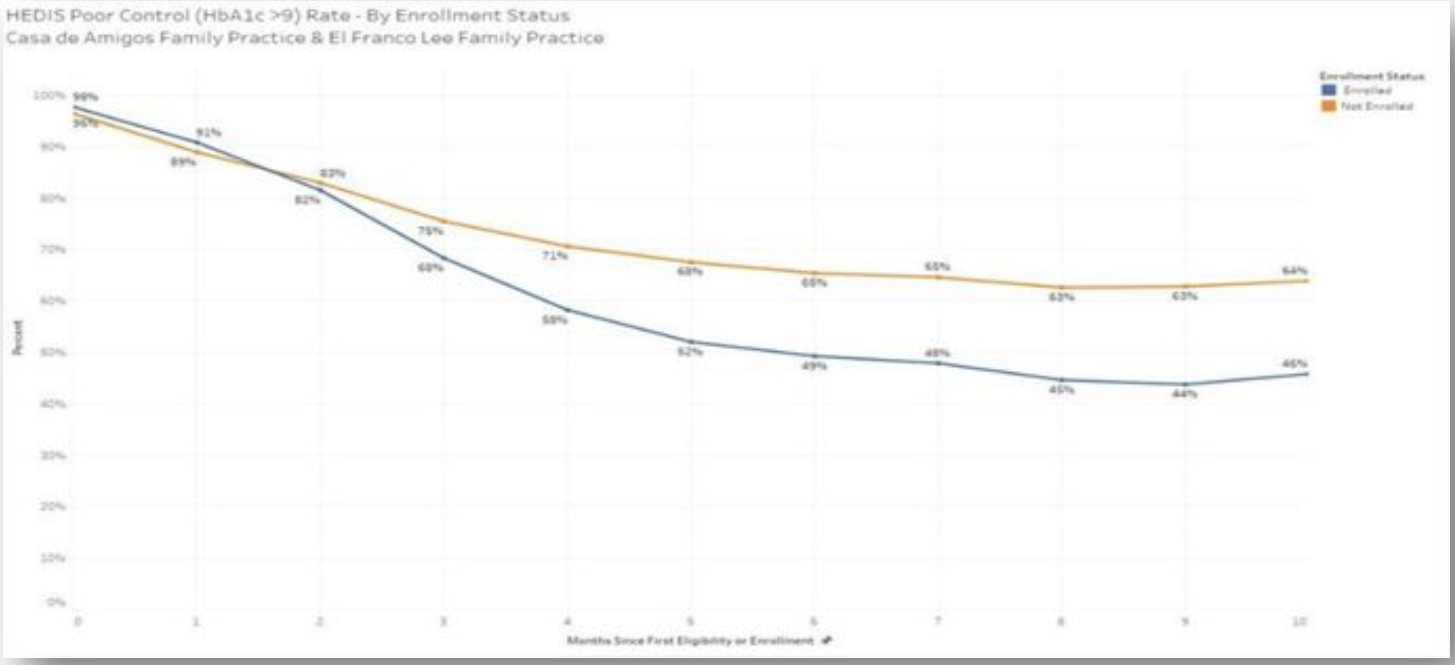
Goal 2; Objective 1; Tactic 3: Expand Chronic Disease Model by 1 – 2 sites per year

Accomplishments:

- Expansion plan submitted to ACS and Case Management leadership for 2022 and 2023.
- Currently enrolling patients at El Franco Lee and Casa de Amigos Health Center.

Outcomes (statistically significant):

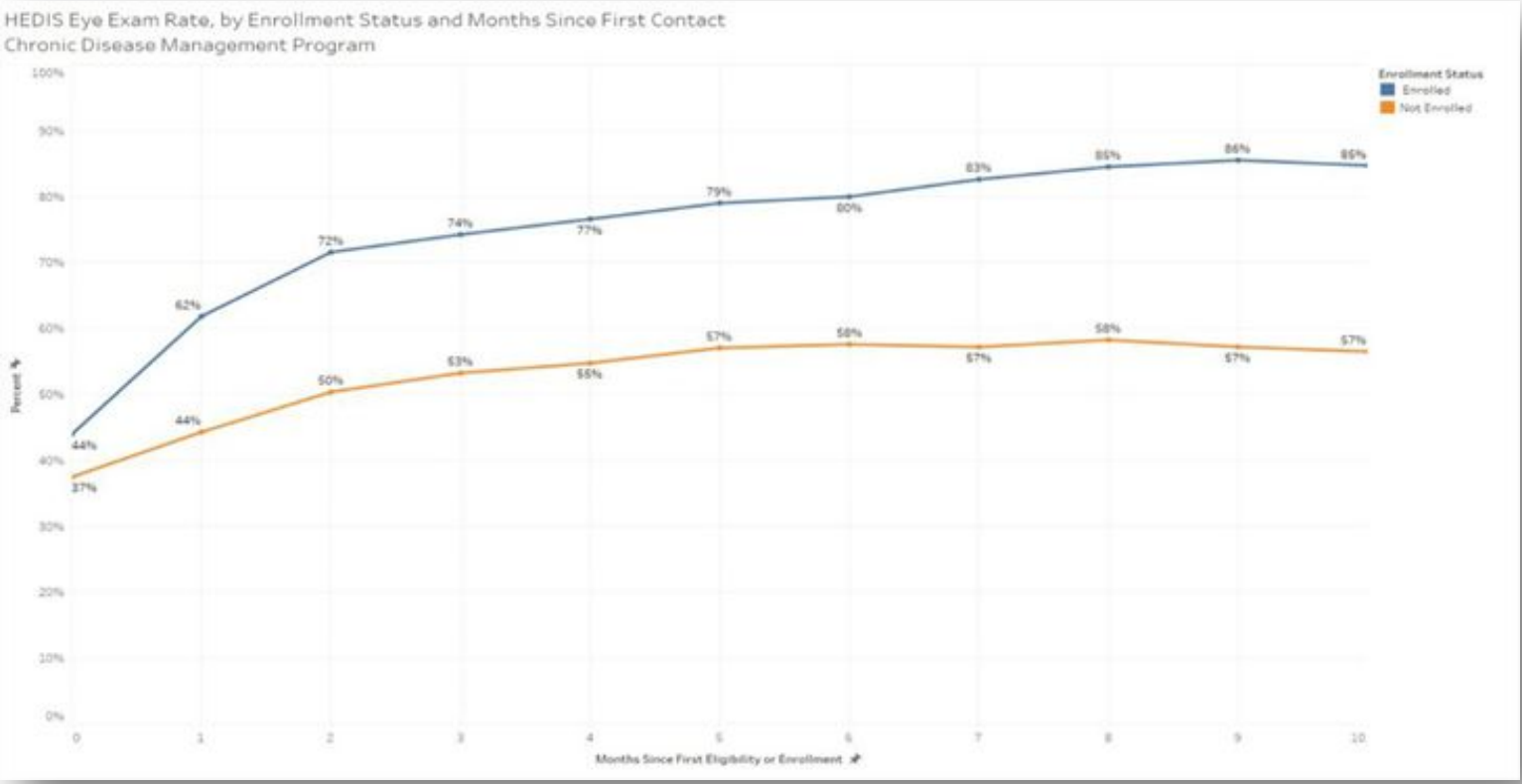
– Among CDM patients who have been enrolled for 9 months, HEDIS A1c>9 is 30% lower than unenrolled patients.



Pillar 4 – Population Health Management

Outcomes Cont. (statistically significant):

- Among CDM patients who have been enrolled for 9 months, the HEDIS Eye Exam rate is 51% higher than unenrolled patients.



Pillar 4 – Population Health Management

Goal 2, Objective 1, Tactic 4: Hardwire Cross-Continuum Model of MVP care
Accomplishments:

- Measurement system – core measures and dashboards built (QA in progress).
- Partnership building to help patients with inadequately addressed behavioral health or substance abuse.
- New linkages:
  - ✓ Internal Linkage: Health Care for the Homeless Program.
  - ✓ External Linkage: Open Door Mission, Star of Hope, and Santa Maria.
- Linkages in progress:
  - Correctional Health, Cheyenne Center, South East Transitional Center, HPD Homeless Outreach Team (HOT), and Open Door Mission's Medical Respite Bed Program.

Goal 2; Objective 2; Tactic 2: Expand Community Health Hubs by 1 – 2 sites per year focusing on highest need geographies and domains
Accomplishments:

- Target: Launch Medical Legal Partnership at Settegast/Vallbona.
  - Secured seed funding for MLP attorney from Episcopal Health Foundation.
  - Finalizing workflows and agreements with South Texas College of Law (legal partner) and UTSPH (evaluation partner).
- Target: Launch Specialty Food Rx at OC/Smith/MLK.
  - Finalized design and submitted protocol for IRB approval.
  - Submitting an agreement with UT Dell Medical/Factor Health for board approval in April 2022.

Thursday, April 28, 2022

Presentation and Consideration of Approval of Population Health Collaboration with The University of Texas at Austin Dell Medical School

Administration requests approval for Harris Health System to enter into a collaboration agreement with UT Austin Dell Medical School (UT Dell), summarized below and in the attached, to collaborate on population health activities supporting Harris Health patients.

UT Dell, through its Factor Health population health team, will partner with Harris Health to implement a fruit and vegetable access program to slow and/or halt the progression of kidney injury, while enhancing kidney health. This partnership will enable Harris Health to expand its award-winning food prescription initiatives to an important Harris Health population (patients with chronic kidney disease), and to additional locations (LBJ Outpatient Center, MLK Health Center, and Smith Clinic), with Factor Health funding the first two years of this expansion and conducting all necessary program evaluation to assess the program's impact on patient outcomes and cost savings.

Administration recommends approval of this population health collaboration between Harris Health System and UT Dell.

HARRISHEALTH SYSTEM

Population Health Collaboration with UT Dell Med Factor Health: Expanding Food Rx to Patients with Chronic Kidney Disease

Board of Trustees
April 28, 2022

Harris Health Hub Expansion Plans

Food Rx

- In 2022-23, expanding to all Harris Health diabetes patients in need
- Introducing new distribution models to optimize access
- Adapting intervention at 3 pilot sites to expand to patients with chronic kidney disease

Utilities/Housing Rx

- Now providing direct e-linkages to HCCSD from 11 Harris Health clinics for patients with basic housing needs

Be Well Acres Homes Collaborative

- Strengthening culinary medicine, exercise Rx through community-based supports that sustain healthy behaviors

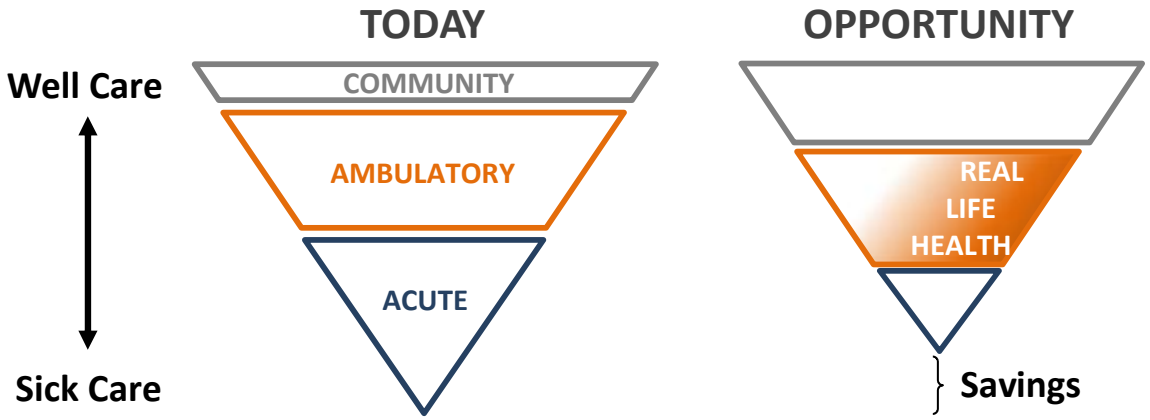
Medical-Legal Partnership

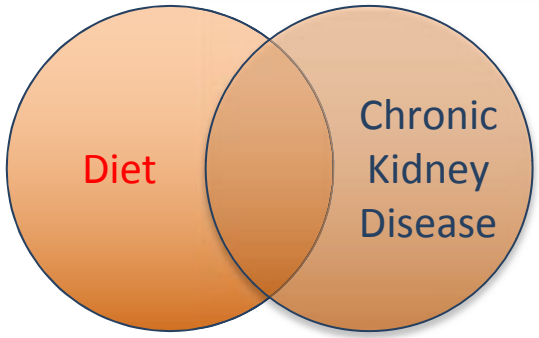
- Providing access to legal services for patients screening positive for health-harming legal needs (Fall 2022)

Partnership with UT Dell Medical Factor Health

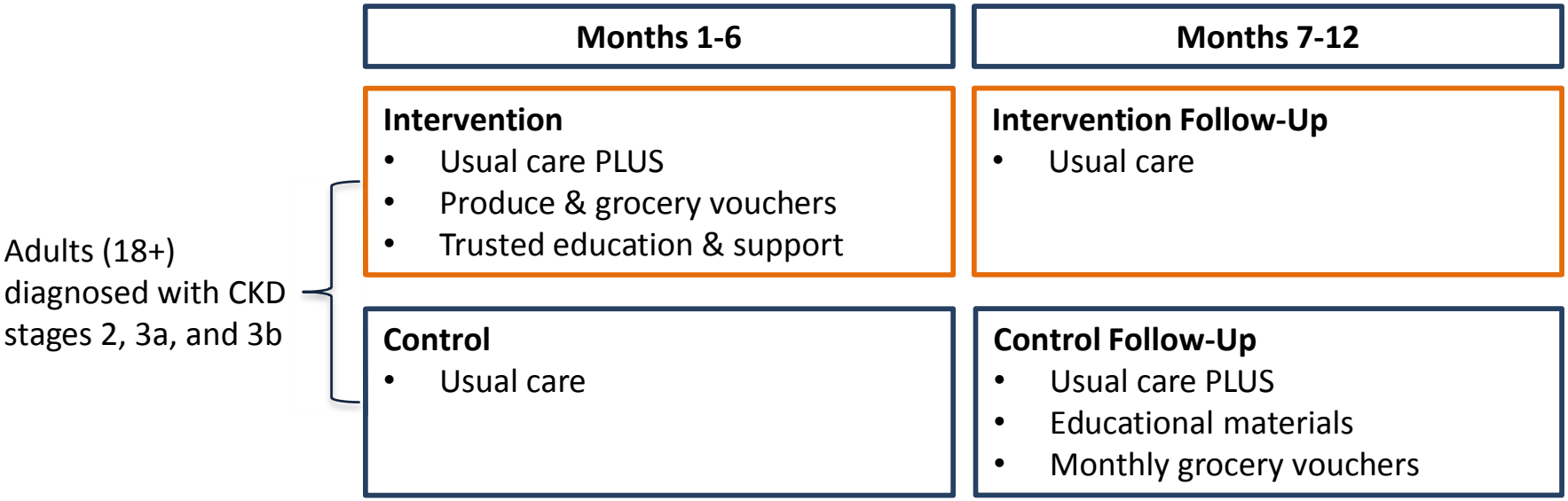
HARRISHEALTH SYSTEM

Factor Health
Real. Life. Health.





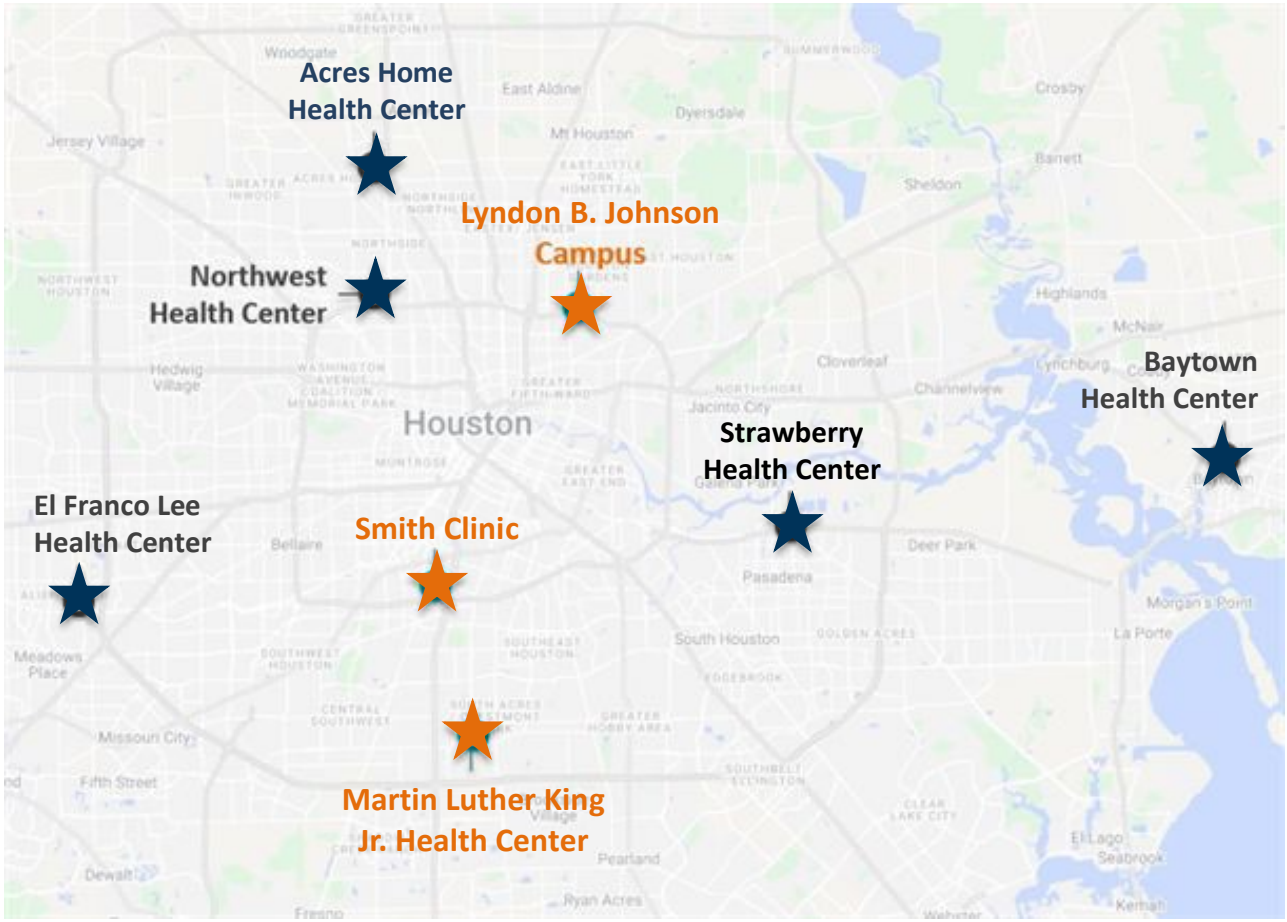
Program Design



Intended outcomes

- ↑ Fruits & vegetables consumption
- ↑ Perception of social support
- ↑ Knowledge, confidence & motivation (self-efficacy)
- ↓ Kidney injury (albumin to creatinine ratio)
- ↓ HbA1c, blood pressure

Health Hub Locations & Domains



- Food Insecurity
- Exercise Rx
- Housing Rx
- Utilities Assistance
- Medical Legal Partnership
  *Fall 2022

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

April 8, 2022

Board of Trustees Office
Harris County Hospital District
dba Harris Health System

RE: Board of Trustees Meeting – April 28, 2022
Budget and Finance Agenda Items

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

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA/ea
Attachments

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

Budget and Finance Agenda Items for the Harris County Hospital District dba Harris Health System - Board of Trustees Report
Expenditure Summary: April 28, 2022 (Approvals)

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost	Amount Confidential	Buyer Initials
A1	**Marsh USA Inc.**	**All Risk Property Insurance and Boiler and Machinery Coverage for the Harris County Hospital District dba Harris Health System** - To provide for continued real estate, personal property, boiler and machinery and cyber liability insurance for Harris Health System. ***Job No. 18/0048***	Renewal May 1, 2022 through April 30, 2023	Nikitin, Victoria	$ 4,246,000	**$ 5,100,000**		FDA
A2	**F.F.F. Enterprises, Inc.**	**Consignment Distribution Program** - obtain biological blood plasma products on consignment for Harris Health System patients. ***Premier Healthcare Alliance, L.P.***	Funding Yr. 4 June 7, 2022 through June 6, 2023	Nnadi, Michael	$ 3,272,527	**$ 3,272,527**		BPJ
A3	**Beckman Coulter, Inc.**	**Integrated Platform for Chemistry and Immunochemistry Analyzer(s), Automation, Reagents, Consumables, and Service for the Harris County Hospital District dba Harris Health System** - for continued automated chemistry and immunochemistry testing services on a cost per reportable basis. ***Premier Healthcare Alliance***	Renewal May 8, 2022 through May 7, 2023	Nnadi, Michael Darnauer, Patricia Gaston, George	$ 1,888,365	**$ 2,613,396**		WKB
A4	**Intuitive Surgical, Inc.**	**Lease, Instruments, Consumables and Maintenance of Robotic Surgery System for the Harris County Hospital District dba Harris Health System** - acquire the da Vinci Xi® Dual Console Robotic System supporting multiple specialty procedures for Lyndon B. Johnson Hospital.	Purchase Public Health or Safety Exemption	Darnauer, Patricia	$ 2,643,836	**$ 2,578,445**		SEP
A5	**Sanofi Pasteur Inc.**	**Flu Vaccine for the 2022 – 2023 Season for the Harris County Hospital District dba Harris Health System** - In March 2022, the Board of Trustees approved a purchase to Sanofi Pasteur to provide influenza vaccines for Harris Health System patients. Since that time, it has been determined that the influenza vaccine are also required for Correctional Health. The amount has been revised to include Correctional Health spend. ***Premier Healthcare Alliance, L.P.***	Ratify Revised Amount	Nnadi, Michael	$ 1,749,729	**$2,060,842**		BPJ
A6	**Medline Industries**	**Exam Gloves** - providing Harris Health System with exam gloves used for patient examination, non-surgical diagnostic and therapeutic procedures. ***Premier Healthcare Alliance, L.P.***	Funding Yr. 4 GPO May 1, 2022 through April 30, 2023	Creamer, Douglas	$ 3,914,249	**$ 1,957,124**		BKP
A7	**Fibertown Houston, LLC**	**Data Center Co-Location Services for the Harris County Hospital District dba Harris Health System** - provide for continued co-location services at the Houston and Bryan data centers to host Harris Health IT equipment used for production systems that support business operations and patient care. ***Job No. 14/0021***	Additional Funds Extension May 15, 2022 through May 14, 2023	Chou, David	$ 1,790,852	**$ 1,841,494**		KC
A8	**Wald Relocation Services, Ltd**	**District-Wide Move Consultant and Mover for the Harris County Hospital District dba Harris Health System** - provide move consultant and mover services throughout at Harris Health System. ***Job No. 20/0034***	Renewal May 18, 2022 through May 17, 2023	Okezie, Chris Attard, David Brown, Tim	$ 133,419	**$ 1,580,000**		STM
A9	**Abbott Laboratories, Inc.**	**Automated Hepatitis Testing System including Analyzer(s), Reagents, Consumables and Services for the Harris County Hospital District dba Harris Health System** - providing hepatitis testing to Harris Health System patients. ***Job No. 13/0311***	Renewal April 27, 2022 through April 26, 2023	Nnadi, Michael Darnauer, Patricia Gaston, George	$ 1,291,757	**$ 1,420,932**		WKB
A10	**Standard Textile Co., Inc.** **Medline Industries Inc.** **Encompass Group**	**Reusable Textiles and Textile Services** - continue providing Harris Health System with reusable textile products such as bedspreads, sheets, pillows, pillowcases and patient apparel. ***Premier Healthcare Alliance, L.P.***	Funding Yr. 1 GPO December 1, 2021 through November 30, 2022	Creamer, Douglas	$ 1,090,270	**$ 1,078,519**		SCF
A11	**W.W. Grainger**	**Maintenance, repair and operation (MRO) equipment supplies and related items for the Harris County Hospital District dba Harris Health System** - continued maintenance, repair and operation equipment supplies and related items for the Harris County Hospital District dba Harris Health System. ***Premier Healthcare Alliance, L.P.***	Funding Yr. 1 GPO May 1, 2022 through April 30, 2023	Attard, David	$ 1,029,689	**$ 1,030,000**		STM

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost	Amount Confidential	Buyer Initials
A12	**Faithful + Gould, Inc.**	**Construction Manager-Agent for the Harris County Hospital District dba Harris Health System** - provide construction manager-agent services for Harris Health System. **Job No. 20/0322**	Renewal May 4, 2022 through May 3, 2023	Attard, David	$ 1,000,000	**$ 1,000,000**		MAM
A13	**Davis Vision, Inc.**	**Vision Insurance for Harris County Hospital District dba Harris Health System** - for continued vision insurance coverage of employees and retirees of Harris Health System. ***Job No. 15/0101***	Renewal March 1, 2022 through February 28, 2023	Reid, Omar	$ 948,462	**$ 986,401**		FDA
A14	**Baxter Healthcare Corporation**	**Dialysis Equipment and Fluids** - provide peritoneal and hemodialysis equipment, solutions, and supplies to be used by Harris Health System Dialysis Services. ***Premier Healthcare Alliance, L.P.***	Ratify Purchase Best contract	Creamer, Douglas	$ 1,076,670	**$ 968,551**		SER
A15	**Olympus America Inc.**	**Equipment Repair and Maintenance Program for Endoscopy and Video Equipment for the Harris County Hospital District dba Harris Health System** - full service, repair and maintenance of Olympus endoscopes and video equipment for Harris Health System.	Renewal Sole Source Exemption June 7, 2022 through June 6, 2023	Attard, David	$ 901,540	**$ 901,540**		SCF
A16	**Hill-Rom Company, Inc.**	**Patient Beds Rental for the Harris County Hospital District dba Harris Health System** - providing Harris Health System with Patient Bed Rental. ***Premier Healthcare Alliance, L.P.***	Funding Yr. 1 GPO March 1, 2022 through February 28, 2023	Creamer, Douglas	$ 878,196	**$ 884,544**		PT
A17	**Physician Resources, Inc.**	**Temporary Locum Tenens for the Harris County Hospital District dba Harris Health System** - provide health care services for the Harris Health Healthcare for the Homeless Program and at the Harris County Residential Treatment Center.	Ratify Purchase Public Health or Safety Exemption Competitive bid Requirements	Padilla, Maureen		**$ 750,000**		JLD
A18	**Kronos Incorporated**	**Time, Attendance, and Scheduling System for the Harris County Hospital District dba Harris Health System** - provide for the maintenance and support of the Kronos Workforce Dimensions Software which is the organization's Time, Attendance and Scheduling System.	Renewal OMNIA Partners Public Sector Cooperative Purchasing Program June 24, 2022 through June 23, 2023	Nikitin, Victoria Chou, David	$ 2,036,166	**$ 746,912**		SPS
A19	**Ortho Clinical Diagnostics**	**Blood Bank Analyzer(s), Reagents, Consumables, and Service for the Harris County Hospital District dba Harris Health System** - continued analysis of blood tests using blood bank analyzers for Harris Health System patients. ***Premier Healthcare Alliance, L.P.***	Renewal July 13, 2022 through July 12, 2023	Nnadi, Michael Darnauer, Patricia Gaston, George	$ 667,891	**$ 734,681**		WKB
A20	**Philips Healthcare**	**Software Maintenance and Support for Physiological Monitoring Equipment for the Harris County Hospital District dba Harris Health System** - provide for maintenance and support for the Physiological Monitoring Equipment for the Harris County Hospital District dba Harris Health System.	Purchase Sole Source Exemption May 1, 2022 through April 30, 2023		$ 643,954	**$ 693,706**		SCF
A21	**Engage2Excel, Inc.**	**Employee Service Recognition and Rewards Program for the Harris County Hospital District dba Harris Health System** - provide a central reward system to increase employee engagement and morale, create a more positive work environment, increase retention rates and reinforce desired behaviors that support a culture of transformation productivity. ***Job No. 19/0321***	Renewal April 16, 2022 through April 15, 2023	Reid, Omar	$ 498,001	**$ 667,454**		JLD

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost	Amount Confidential	Buyer Initials
A22	**Insight Direct USA, Inc.**	**Single Sign-On and Patient Secure Biometric Identification System Software Maintenance for the Harris County Hospital District dba Harris Health System** - for maintenance of the Imprivata One Sign single sign-on and Patient Secure Biometric Identification System. The One Sign system allows care providers to quickly and securely access all clinical and administrative applications providing better patient care. The Patient Secure Biometric Identification System is a palm vein application that accurately identifies each patient to ensure they receive the right care and protects against medical identity theft and insurance card sharing. ***Premier Healthcare Alliance, L.P.***	Purchase Low Quote May 2, 2022 through May 1, 2023	Chou, David		**$ 639,504**		SPS
A23	**Enterprise Fleet Management, Inc.**	**Lease of Vehicles for the Harris County Hospital District dba Harris Health System** - lease vehicles for Harris Health System.	Ratify Renewal The Interlocal Purchasing Systems January 28, 2022 through January 27, 2023	Okezie, Chris Brown, Tim	$ 450,000	**$ 632,000**		STM
A24	**Intelligent Retinal Imaging Systems, LLC**	**Retinal Imaging System (and Services) for the Harris County Hospital District dba Harris Health System** - for continued diabetic screening services and a Retina Specialist to read and grade retinal images of Harris Health System patients from the IRIS automated fundus camera systems used in Ambulatory Care Services (ACS) clinics. ***Job No. 12/0066***	Purchase Sole Source May 22, 2022 through May 21, 2023	Small, Jennifer	$ 602,000	**$ 602,000**		STM
A25	**Set Solutions, Inc.**	**ProofPoint, Email Defense, Threat Response, Targeted Attack Protection (TAP) Suite with Domain Discovery Subscription for the Harris County Hospital District dba Harris Health System** - provide for ProofPoint Suite with Domain Discovery (DD) Subscription, which offers critical protection against cyber-attacks to all of the organization's workforce email users by allowing fraudulent domains identification. ***Department of Information Resources***	Purchase Only Quote May 13, 2022 through May 12, 2023	Vinson, Jeffrey		**$ 579,712**		SPS
A26	**Ricoh USA, Inc.**	Photocopier/Scanner Lease and Services for the Harris County Hospital District dba Harris Health System - continue the lease of photocopiers with multifunctional capability including color scanning to e-mail or file, network print, fax capability and plain paper duplex copier functionality at various Harris Health System and Community Health Cho+C27+[@[Description Justification Contract]]	Renewal April 5, 2022 through April 4, 2023	Creamer, Douglas	$ 579,239	**$ 579,239**		KJB
A27	**Perkins Coie LLP**	**Special Counsel to represent the Harris County Hospital District dba Harris Health System** - Additional funding is needed due to a higher than expected need for legal services for a proposed oncology collaboration implicating healthcare regulations and other complex health care matters, including human subjects research.	Ratify Additional Funds Professional Services Exemption October 8, 2021 through October 7, 2022	Thomas, L. Sara	$ 375,000	**$ 575,000**		JLD
A28	**Epic Systems Corporation**	**Epic Lumens Gastroenterology Software and Implementation for the Harris County Hospital District dba Harris Health System** - provide the Epic Lumens software application to be used by Gastroenterology. It provides tools for viewing and managing endoscopy images sent to Epic by external endoscopy systems.	Purchase Sole Source Exemption	Chou, David		**$ 559,004**		KJB
A29	**Musculoskeletal Transplant Foundation**	**Bone and Bone Substitute Implantable Products** - continue providing Harris Health System with products used to fill bone voids, induce bone fusion and stimulate bone growth. ***Premier Healthcare Alliance, L.P.***	Funding Yr. 2 GPO July 1, 2022 through June 30, 2023	Creamer, Douglas	$ 549,770	**$ 549,770**		AM
A30	**County Diamond Drugs, Inc.**	**Pharmaceutical Dispensing for Institutionalized Persons of Harris County** - allow Harris Health System to utilize this contract to continue support to Harris County Community Supervision & Corrections Department (CSCD), in accordance with the Interlocal Agreement between Harris Health System and CSCD for provision of health care services and pharmaceuticals to misdemeanor and felony offenders. **Job No. 16/0272**	Additional Funds Utilization May 1, 2022 through August 31, 2022	Nikitin, Victoria	$ 350,000	**$ 525,000**		BA

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost	Amount Confidential	Buyer Initials
A31	**FleetCor Technologies Operations Company LLC**	**Fleet Fuel Cards, Monitoring & Dispensing System and Related Items** - allow Harris Health System to utilize this contract for mobile fueling services during emergency and non-emergency conditions. ***Job No. 19/0136***	Ratify Utilization January 28, 2022 through January 27, 2023	Okezie, Chris Brown, Tim	$ 190,000	**$ 500,000**		STM
A32	**Welch Allyn Inc.**	**Blood Pressure Cuffs and Accessories** - continue to provide Harris Health System with blood pressure devices, cuffs and accessories. ***Premier Healthcare Alliance, L.P.***	Funding Yr. 5 GPO June 1, 2022 through May 31, 2023	Creamer, Douglas	$ 487,551	**$ 477,451**		BKP
A33	**Epic Systems Corporation**	**Implementation and Support Services for the Epic Enterprise Information Systems for the Harris County Hospital District dba Harris Health System** - provide implementation and support services for Epic Enterprise Information systems as needed for projects such as Supply Shop-Grand Central, Correctional Health and Research.	Purchase Sole Source Exemption July 8, 2022 through July 7, 2023	Chou, David	$ 413,800	**$ 413,800**		KJB
A34	**JWS Health Consultants, Inc. dba UltraStaff**	**Temporary Nursing Personnel for Harris County Hospital District dba Harris Health System** - provide for temporary staffing of nursing personnel to meet the increase in demand of patient healthcare due to Covid-19 at various locations throughout the Harris Health System.	Ratify Public Health or Safety Exemption Competitive bid Requirements	Padilla, Maureen		**$ 350,000**		JLD
A35	**Incredible Health, Inc.**	**Nursing Recruitment Services for the Harris County Hospital District dba Harris Health System** - utilize the Incredible Health Platform and Services to recruit and hire permanent registered nurses and nurse practitioners.	Ratify Renewal Public Health or Safety Exemption Texas LGC 262.024(a) March 4, 2022 through March 3, 2023	Reid, Omar Padilla, Maureen	$ 195,000	**$ 310,000**		JLD
A36	**Ricoh USA, Inc.**	**Copy Center Services for the Harris County Hospital District dba Harris Health System** - to provide copy center services for the Harris Health System including equipment, installation, implementation, travel, training, consumables (less paper), maintenance and support for Harris Health System. ***Department of Information Resources***	Renewal May 4, 2022 through May 3, 2023	Creamer, Douglas	$ 291,448	**$ 298,198**		KJB
A37	**Polymedco Cancer Diagnostic Products, LLC**	**Manual Immunochemical Fecal Occult Blood Test Kits for the Harris County Hospital District dba Harris Health System** - continue providing take-home fecal occult blood immunochemical testing kits for Harris Health System patients. ***Job No. 21/0081***	Renewal June 1, 2022 through May 31, 2023	Nnadi, Michael Darnauer, Patricia Gaston, George	$ 243,008	**$ 280,000**		WKB
A38	**AMO Sales and Service, Inc.**	**Ophthalmology Intraocular Lens and Related Items for the Harris County Hospital District dba Harris Health System** - providing intraocular lens and related items used in Ophthalmology surgical procedures for the Operating Room at Ben Taub and Lyndon B. Johnson Hospitals. ***Job No. 17/0115***	Renewal June 11, 2022 through June 10, 2023	Creamer, Douglas	$ 261,105	**$ 261,105**		SER
A39	**Set Solutions, Inc.**	**Maintenance and Support for Gigamon Intrusion Detection and Prevention System for Hardware and Software for the Harris County Hospital District dba Harris Health System** - provide for continued maintenance and support for the Gigamon Intrusion Prevention System (IPS) that works in conjunction with the Cisco IPS. This solution provides visibility to network traffic and provides resiliency for the organization's security solutions used by both the Information Security and IT departments.	Purchase Low Quote Choice Partners National Purchasing Cooperative May 11, 2022 through May 10, 2023	Vinson, Jeffrey		**$ 243,732**		SPS
A40	**Sofie Co.**	**Positron Emission Tomography (PET) Isotopes** - To provide for radioactive tracers (isotopes) used in PET scans for the Harris Health System Radiology department. **Premier Healthcare Alliance, L.P.**	Funding Yr. 2 June 1, 2022 through May 31, 2023	Small, Jennifer Mathai, Diana	$ 228,891	**$ 240,336**		BA

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost	Amount Confidential	Buyer Initials
A41	**Beckman Coulter, Inc.**	**Integrated Platform for Chemistry and Immunochemistry Analyzer(s), Automation, Reagents,Consumables, and Service for the Harris County Hospital District dba Harris Health System** - Additional funds are required to pay outstanding invoices as well as continue automated chemistry & immunochemistry testing services through the third renewal option. A purchase order has been issued. ***Premier Healthcare Alliance, L.P.***	Ratify Additional Funds May 8, 2021 through May 7, 2022	Nnadi, Michael Darnauer, Patricia Gaston, George	$ 2,469,686	**$ 236,378**		WKB
A42	**Nalco Water**	**Water Safety Management Program for the Harris County Hospital District dba Harris Health System** - consulting, risk analysis, site specific plans, and remediation monitoring services for water management for various Harris Health System facilities. ***Job No. 18/0290***	Renewal April 16, 2022 through April 15, 2023	Attard, David	$ 178,868	**$ 233,561**		STM
A43	**Matran, Inc dba Master's Leasing and Rental**	**Lease of Shuttle Buses for the Harris County Hospital District dba Harris Health System** - leased shuttle buses for Ben Taub Hospital and Smith Clinic for the offsite parking initiative in support of Harris Health System staff. ***Job No. 21/0066***	Renewal June 1, 2022 through May 31, 2023	Okezie, Chris Brown, Tim	$ 177,474	**$ 192,648**		STM
A44	**Care.com, Inc.**	**Back Up Care (Child and Eldercare) Services for the Harris County Hospital District dba Harris Health System** - provide for continued back up care (child and eldercare) services to supplement the employees benefits package for all active, benefits eligible, employees of Harris Health System. These services allow employees access to care when primary services are unavailable.	Renewal May 15, 2022 through May 14, 2023	Reid, Omar	$ 449,016	**$ 190,938**		JLD
A45	**Nuance Communications, Inc.**	**Software License, Maintenance and Support for Speech (Voice) recognition System for the Harris County Hospital District dba Harris Health System** - continue to provide software maintenance and support for the Nuance PowerScribe Voice Dictation system that provides voice dictation capabilities for our radiology reports.	Renewal Sole Source Exemption May 19, 2022 through May 18, 2023	Chou, David	$ 175,687	**$ 175,687**		KJB
A46	**B. Braun Medical, Inc.**	**Dialysis Equipment and Fluids** - provide peritoneal and hemodialysis equipment, solutions, and supplies to be used by Harris Health System Dialysis Services. ***Premier Healthcare Alliance, L.P.***	Funding Yr. 1 GPO February 1, 2022 through January 31, 2023	Creamer, Douglas	$ 167,455	**$ 167,408**		SER
A47	**The University of Texas Health Science Center at Houston**	**Dental Health Services for the Health Care for the Homeless Program for the Harris County Hospital District dba Harris Health System** - provide dental health services in the Health Care for the Homeless Program Mobile Dental Unit to eligible homeless individuals.	Ratify Texas Health & Safety Code Exemption Interlocal Agreement April 1, 2022 through March 31, 2023	Small, Jennifer		**$160,000 (HRSA Grant Funds)**		JLD
A48	**Masterword Services, Inc.**	**Document Translation, Foreign Language Interpretation Services, and SIG Translation Services for the Harris County Hospital District dba Harris Health System** - provide document translation, in-person interpreters, and to translate SIGS written in English to Spanish or Vietnamese for non-English speaking patients until a competitive proposal process is complete.	Renewal Public Health or Safety Exemption June 21, 2022 through June 20, 2023	Nnadi, Michael Small, Jennifer	$ 888,133	**$ 160,000**		JLD
A49	**Set Solutions, Inc.**	**Ordr License Subscription for the Harris County Hospital District dba Harris Health System** - provide for Ordr Licenses that monitor the medical devices and Internet of Things (IoT) applications throughout the organization for cyber risk assessment.	Purchase Low Quote Choice Partners National Purchasing Cooperative	Vinson, Jeffrey		**$ 158,881**		SPS
A50	**Set Solutions, Inc.**	**Security Analytics Platform License for the Harris County Hospital District dba Harris Health System** - provide for RedSeal Security Analytics Platform licenses that help monitor the organization's network devices to ensure compliance with cyber security standards and to manage incident response.	Purchase Low Quote Choice Partners National Purchasing Cooperative May 25, 2022 through May 24, 2023	Vinson, Jeffrey		**$ 128,671**		SPS

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost	Amount Confidential	Buyer Initials
A51	**Sedgwick Claims Management Services, Inc.**	**Workers' Compensation Third Party Administration and Associated Services for the Harris County Hospital District dba Harris Health System** - provide for continued comprehensive Workers' Compensation claims management, medical cost containment, a Risk Management Information System and associated services for Harris Health System until a competitive proposal process is complete. ***Job No. 17/0196***	Renewal January 1, 2022 through December 31, 2022	Reid, Omar	$ 171,178	**$ 127,520**		FDA
A52	**Dell Marketing, L.P.**	**Adobe Acrobat Software Maintenance for the Harris County Hospital District dba Harris Health System** - provide for the annual maintenance of all the Adobe software products, which includes but is not limited to, Adobe Pro DC, Creative Suite, and Captivate. Maintenance and support includes technical support, patch fixes, and version upgrades. ***Department of Information Resources***	Purchase Low Quote May 10, 2022 through May 9, 2023	Chou, David		**$ 124,059**		SPS
A53	**Elsevier, Inc.**	**Maintenance and Support for ExitCare® Software for the Harris County Hospital District dba Harris Health System** - provide for the continued maintenance and support for the ExitCare® software, an integrated evidence-based tool used by clinicians to supply patients with documented information on wound and illness treatment after their discharge from the hospital or clinic.	Renewal Sole Source Exemption June 15, 2022 through June 14, 2023	Chou, David	$ 120,456	**$ 119,749**		SPS
A54	**Great South Texas Corp**	**Global Positioning Service (GPS) for Vehicle Monitoring System for the Harris County Hospital District dba Harris Health System** - provide Global Positioning Services (GPS) Vehicle Tracking Hardware, Software Licenses and Monitoring Service for Harris Health System Vehicles. ***Department of Information Resources***	Purchase Low Quote May 1, 2022 through April 30, 2023	Okezie, Chris Brown, Tim		**$ 107,600**		SCF
A55	**Advanced Sterilization Products Services Inc.**	**Auto Endoscopic Reprocessor** - provide the Sterile Processing Department (SPD) at Ben Taub Hospital with new endoscopic reprocessors replacing the current units that are past their expected useful life. ***Premier Healthcare Alliance, L.P.***	Purchase Best Contract	Attard, David		**$ 90,000**		AM
A56	**FRAGMA Construction Services, LLC**	**Painting, Wall Patching, Maintenance and Repair Services for the Harris County Hospital District dba Harris Health System** - Additional funds are required to cover services due to the extended term. The term is being extended to provide for services until this project is competitively bid and a new Agreement has been executed. ***Job No. 16/0301***	Additional Funds Extension May 15, 2022 through September 14, 2022	Attard, David	$ 500,000	**$ 85,000**		MNG
A57	**Crown Dental (assignor)** **Brident DDS, P.C. (assignee)**	**Dental Services for Harris County Hospital District dba Harris Health System** - Crown Dental was acquired by Brident DDS, P.C. and has conveyed all rights, title and interest with no change in pricing.	Ratify Assignment Public Health or Safety Exemption September 28, 2021 through September 27, 2022	Smith, Amy		**$ -**		JLD
A58	**Concentric Healthcare Solutions, LLC**	**Temporary Nursing Personnel for Harris County Hospital District dba Harris Health System** - provide for temporary staffing of nursing personnel to meet the increase in demand of patient healthcare due to Covid-19 at various locations throughout the Harris Health System.	Ratify Public Health and Safety Exemption August 4, 2021 through August 3, 2022	Padilla, Maureen		**$ -**		JLD
A59	**ShiftWise, Inc.**	**Vendor Management System for Temporary Medical Personnel for the Harris County Hospital District dba Harris Health System** - provide a platform through which Harris Health System submits available shifts to be filled by contracted staffing vendors. The platform manages vendors based on contracted positions and rates. ShiftWise will charge the temporary staffing vendors a 3% fee for use of the service. This fee is passed through to Harris Health System by the staffing vendors as part of the vendor's billable rate.	Ratify Public Health or Safety Exemption	Carbajal, Monica		**$ -**		JLD
					Total	**$ 41,560,177**		

Budget and Finance Agenda Items for the Harris County Hospital District dba Harris Health System - Board of Trustees Report
Expenditure Summary: April 28, 2022 (Transmittals)

No.	Vendor	Description Justification Contract Number	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost	Amount Confidential	Buyer Initials
B1	**Language Line Services, Inc.**	**Language Proficiency Testing for the Harris County Hospital District dba Harris Health System** - provide bilingual fluency testing for employees and associates. ***Department of Information Resources***	Renewal May 11, 2022 through May 10, 2023	Small, Jennifer	$ 40,000	**$ 100,000**		TCT
B2	**Medtronic USA, Inc.**	**Neurosurgical Critical Care Products for the Harris County Hospital District dba Harris Health System** - continue providing neurosurgical critical care products used for patients undergoing craniotomy and shunt placement surgery. ***Job No. 18/0199***	Renewal April 3, 2022 through April 2, 2023	Creamer, Douglas	$ 99,384	**$ 99,384**		SER
B3	**KLS Martin LP**	**Surgical Drills -** replace the high speed drills that are past their expected useful life at Lyndon B. Johnson Hospital Oral Surgery Clinic. ***Job No. 18/0053***	Purchase Best Contract September 19, 2022 through September 18, 2023	Attard, David		**$ 93,205**		AM
B4	**Mark III Systems, Inc.**	**Infrastructure hardware and license for the Harris County Hospital District dba Harris Health System** - provide new servers with software and hardware maintenance for the Harris Health System. ***Department of Information Resources***	Purchase Low Quote	Chou, David		**$ 83,232**		BA
B5	**Sun Nuclear Corporation**	**Software and Hardware Maintenance for the Sun Nuclear Dosimetry System for the Harris County Hospital District dba Harris Health System** - software and hardware maintenance services for the Sun Nuclear Dosimetry System.	Renewal Sole Source Exemption June 1, 2022 through May 31, 2023	Attard, David	$ 130,610	**$ 81,060**		SCF
B6	**Gaumard Scientific Co., Inc.**	**Simulator, Software and Support Services for the Harris County Hospital District dba Harris Health System** - provide Harris Health System with the HAL® adult advanced multipurpose simulator to be used in the Simulation Program for nursing education.	Purchase Choice Partners National Purchasing Cooperative	Padilla, Maureen		**$ 77,490**		SEP
B7	**Netsync Network Solutions, Inc.**	**Audio Visual Equipment for New Hire Auditorium for the Harris County Hospital District dba Harris Health System** - outfit the New Hire Auditorium Room with audiovisual equipment and technology to conduct in-person training for new hires at 4900 Fournace. ***Department of Information Resources***	Purchase The Interlocal Purchasing System	Chou, David		**$ 71,027**		SPS
B8	**AT&T Corporation**	**Data Circuit Services for the Harris County Hospital District (dba Harris Health System)** - provide technical support services, and network circuit between Lyndon B. Johnson Hospital and Quentin Mease. ***Department of Information Resources***	Purchase Only Quote	Chou, David		**$ 64,800**		KC
B9	**Erbe USA, Inc**	**Gastrointestinal Endoscopy** - provide Harris Health System with a new cryosurgical system replacing the current one that is past its expected useful life and experiencing maintenance issues. ***Premier Healthcare Alliance, L.P. Contract***	Purchase	Attard, David		**$ 63,483**		AM
B10	**RLDatix North America, Inc.**	Risk Management Software Support for the Harris County Hospital District dba Harris Health System - provide support for the risk management software that tracks and reports incidents occurrence throughout the Harris Health System.	Renewal Sole Source Exemption April 1, 2022 through March 31, 2023	Chou, David	$ 60,052	**$ 63,055**		SPS
B11	**Tidi Products, LLC**	**Adult & Pediatric Exam Table Paper and Related Products** - providing Harris Health System with exam table paper, drape sheets, exam gowns and other paper products. ***Premier Healthcare Alliance, L.P.***	Funding Yr. 3 GPO July 1, 2022 through June 30, 2023	Creamer, Douglas	$ 59,851	**$ 61,647**		AM

No.	Vendor	Description Justification Contract Number	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost	Amount Confidential	Buyer Initials
B12	**Devicor Medical Products, Inc**	**Magnetic Detection System Disposables for the Harris County Hospital District dba Harris Health System** - continue providing Harris Health System with Magseeds utilized in Electromagnetic Tissue Characterization Systems at Ben Taub and Lyndon B. Johnson Hospitals.	Renewal Public Health or Safety Exemption May 3, 2022 through May 2, 2023	Creamer, Douglas	$ 61,466	**$ 61,466**		SER
B13	**Aesculap, Inc.**	**Neurosurgical Critical Care Products for the Harris County Hospital District dba Harris Health System** - continue providing neurosurgical critical care products used for patients undergoing craniotomy and shunt placement surgery. ***Job No. 17/0276***	Renewal April 12, 2022 through April 11, 2023	Creamer, Douglas	$ 55,564	**$ 55,564**		SER
B14	**Vertosoft, LLC.**	**Financial Accounting Close Management Software for the Harris County Hospital District dba Harris Health System** - provide for FloQast cloud-based financial accounting close management software required to automate the reconciliation and close process, including workflows to provide efficiencies and additional internal controls for review and approvals.	Renewal The Interlocal Purchasing System June 18, 2022 through June 17, 2023	Nikitin, Victoria	$ 74,384	**$ 55,484**		SPS
B15	**Logic Software, Inc.**	**Web-Based Easy Project Enterprise Cloud** - support and provide manage project intake, portfolio, and project management requirements of the different Project Management groups within Harris Health System.	Additional Funds OMNIA Partners Public Sector Cooperative Purchasing Program January 24, 2022 through January 23, 2023	Chou, David	$ 43,091	**$ 38,026**		KC
					Total	**$ 1,068,923**		

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

March 15, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 18/0048, Board Motion 21.10-101

Members of the Board:

Please approve the fourth and final renewal option for the following:

Description: All Risk Property Insurance and Boiler and Machinery Coverage for the Harris County Hospital District dba Harris Health System

Vendor: Marsh USA Inc. [GA-07436]

Term: May 1, 2022 through April 30, 2023

Amount: $5,100,000 estimated
$4,246,000 previous year

Reviewed by: __X__ Capital Assets __X__ Harris County Purchasing

Justification: To provide for continued real estate, personal property, boiler and machinery and cyber liability insurance for Harris Health System.

The increased amount is based on the increase in market and decrease in risk desired by underwriters and to cover additional assets and employees.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

FDA

cc: Esmaeil Porsa, M.D., President & CEO
Victoria Nikitin, EVP & CFO
Vendor

A1

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

March 21, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Premier Healthcare Alliance, L.P. Contract, Board Motion 21.05-55

Members of the Board:

Please approve the fourth year funding for the following:

Description: Consignment Distribution Program

Vendor: F.F.F. Enterprises, Inc. (GA-07554)

Term: June 7, 2022 through June 6, 2023

Amount: $3,272,527 estimated
$3,272,527 previous year

Reviewed by: __X__ Pharmacy __X__ Harris County Purchasing

Justification: To obtain biological blood plasma products on consignment for Harris Health System patients.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
BPJ

BPJ
cc: Esmaeil Porsa, M.D., President & CEO
Michael Nnadi, CPO
Vendor

A2

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 18, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Premier Healthcare Alliance, L.P. Contract, Board Motion 21.04-47

Members of the Board:

Please approve the fourth and final renewal option for the following:

Description: Integrated Platform for Chemistry and Immunochemistry Analyzer(s), Automation, Reagents, Consumables, and Service for the Harris County Hospital District dba Harris Health System

Vendor: Beckman Coulter, Inc. (GA-06647)

Term: May 8, 2022 through May 7, 2023

Amount: $2,613,396 estimated
$1,888,365 previous year

Reviewed by: __X__ Laboratory __X__ Harris County Purchasing

Justification: To provide for continued automated chemistry and immunochemistry testing services on a cost per reportable basis.

The estimated amount is higher than the previous year based on an increase in volume post COVID and the addition of Correctional Health. The vendor has agreed to renew under the same terms and conditions as set forth in the contract with no increase in pricing.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

KB WKB

cc: Esmaeil Porsa, M.D., President & CEO
Michael Nnadi, CPO
Patricia Darnauer, EVP Administration LBJ
George Gaston, Business Operations & Strategic Initiatives
Vendor

A3

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

April 12, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Public Health or Safety Exemption - Local Government Code § 262.024 (a)(2)

Members of the Board:

Please approve purchase for the following:

Description: Lease, Instruments, Consumables and Maintenance of Robotic Surgery System for the Harris County Hospital District dba Harris Health System

Vendor: Intuitive Surgical, Inc.

Term: Six-year initial term

Amount: $2,578,445 capital equipment
$2,643,836 instruments, disposables & maintenance
$5,222,281 estimated cost

Evaluated by: X Executive Administration X Harris County Purchasing

Justification: To acquire the da Vinci Xi® Dual Console Robotic System supporting multiple specialty procedures for Lyndon B. Johnson Hospital.

The County Attorney's Office is preparing Agreements for this purchase. This purchase is subject to execution of the Agreements.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
SEP
Attachment
cc: Esmaeil Porsa, M.D., President & CEO
Patricia Darnauer, EVP Administration LBJ
Vendor

A4

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

Board Summary

Board Date: April 28, 2022

Pavilion(s)/Department(s): LBJ Hospital / Operating Room

Item Description: General-Purpose Surgical Robot

Estimated Equipment Cost: $2,578,444.56 (Routine Capital Budget)

Estimated Operational Cost: $2,643,836.00 (Operational Expense Budget)

Project Elaboration: This project is adding a general-purpose surgical robot at LBJ Hospital to facilitate minimally invasive surgery and to help surgeons perform procedures that would otherwise be difficult or not possible with traditional open or laparoscopic techniques. Potential benefits include shorter length of stay and lower infection rates for patients. General surgery, urology, thoracic, colorectal and gynecology are the service lines identified to use the equipment.

Vendor: Intuitive Surgical

- Sole source manufacturer meeting all user requirements including mandatory need for capability to perform urology procedures.
- Validated by Harris Health System third party consultant ECRI
  i. Intuitive Surgical is the only FDA cleared manufacturer of general-purpose surgical robots for urology procedures.
  ii. Intuitive Surgical quoted total remitted value of 104.8% and interest rate of 3.0% are consistent with the lowest values seen for other ECRI member hospitals six year operating lease agreements.

Project Cost Summary:

Item #	Equipment Description	Qty	Monthly Payment	Lease Term	Total Equipment Cost
1	da Vinci Xi Dual Console System, 2 Surgeon Consoles, 1 Patient Cart, 1 Vision Cart, Documentation, Software, Instrument starter kit, Accessory Starter Kit, Vision Equipment, Installation.	1	$35,811.73	72 months	$2,578,444.56
2	da Vinci Xi Integrated Table Motion that includes table connection hardware module for patient cart, integrated table motion software upgrade. E-100 bipolar electrosurgical unit, Installation.	1			
Total Capital Equipment Cost (for six year lease term)					**$2,578,444.56**
Projected First Year Operational Cost for Instruments (for initial startup)					$150,970
Projected Six Year Operational Cost of Disposables					$1,597,866
Projected Six Year Operational Cost for Equipment Maintenance (1^{st} year covered under warranty, years 2-6 at $179,000 each)					$895,000
Projected Total Operational Cost (Instruments + Disposables + Maintenance for six year lease term)					**$2,643,836.00**

A4

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

March 16, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Premier Healthcare Alliance, L.P. Contract, Board Motion 22.03-40

Members of the Board:

Please ratify the revised amount for the following:

Description: Flu Vaccine for the 2022 – 2023 Season for the Harris County Hospital District dba Harris Health System

Vendor: Sanofi Pasteur Inc. (PPPH18CNT02)

Term: One-year initial term

Amount: $2,060,842 (revised amount)
$1,749,729 (as approved)

Reviewed by: __X__ Pharmacy __X__ Harris County Purchasing

Justification: In March 2022, the Board of Trustees approved a purchase to Sanofi Pasteur to provide influenza vaccines for Harris Health System patients. Since that time, it has been determined that the influenza vaccines are also required for Correctional Health. The amount has been revised to include Correctional Health spend.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA BPJ
BPJ
cc: Esmaeil Porsa, M.D., President & CEO
Michael Nnadi, CPO
Vendor

A5

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 9, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Premier Healthcare Alliance, L.P. Contract, Board Motion 21.05-55

Members of the Board:

Please approve fourth year funding for the following GPO contract:

Description:	Exam Gloves
Vendor:	Medline Industries (PP-NS-1230)
Term:	May 1, 2022 through April 30, 2023
Amount:	$1,957,124 estimated $3,914,249 previous year
Reviewed by:	__X__ Supply Chain Management __X__ Harris County Purchasing
Justification:	To continue providing Harris Health System with exam gloves used for patient examination, non-surgical diagnostic and therapeutic procedures.

The decreased amount is a result of reduced supply chain constraints due to the COVID-19 pandemic.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA SP
BKP
cc: Esmaeil Porsa, M.D., President & CEO
Doug Creamer, Supply Chain Management
Vendor

A6

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 29, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 14/0021, Board Motion 21.04-47

Members of the Board:

Please approve additional funds and the extension for the following:

Description:	Data Center Co-Location Services for the Harris County Hospital District dba Harris Health System
Vendor:	Fibertown Houston, LLC (GA-05860)
Amount:	$1,841,494 additional funds for the extended term 5/15/2022 – 5/14/2023 1,790,852 previous approved funds for the term 5/15/2021 – 5/14/2022 $3,632,346
Reviewed by:	X Information Technology X Harris County Purchasing
Justification:	To provide for continued co-location services at the Houston and Bryan data centers to host Harris Health IT equipment used for production systems that support business operations and patient care.

The annual estimated cost is $1,841,494. The increased amount is due to an additional $100,000 added as a contingency for unknown electrical service and additional space that may be needed in either data center less one-time charges from last year in the amount of $49,358. The County Attorney's Office is currently reviewing an Amendment to extend the term. This purchase is subject to execution of the Agreement.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
KC
cc: Esmaeil Porsa, M. D. , President & CEO
David Chou, SVP & CIO
Vendors

A7

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

April 7, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 20/0034, Board Motion 21.01-06

Members of the Board:

Please approve the first of four renewal options for the following:

Description: District-Wide Move Consultant and Mover for the Harris County Hospital District dba Harris Health System

Vendors: Wald Relocation Services, Ltd

Term: May 18, 2022 through May 17, 2023

Amount: $1,580,000 estimated
$ 133,419 previous year

Reviewed by: __X__ Facilities Engineering __X__ Harris County Purchasing

Justification: To provide move consultant and mover services throughout at Harris Health System.

The increased amount is based on the number of capital projects projected for next fiscal year. The County Attorney's Office is preparing an Amendment to the Agreement for these services.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA sm
STM
cc: Esmaeil Porsa, M.D., President & CEO
Chris Okezie, VP Operations
David Attard, Healthcare Systems Engineering
Tim Brown, System Logistics
Vendor

A8

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 18, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 13/0311, Board Motion 21.04-47

Members of the Board:

Please approve renewal for the following:

Description: Automated Hepatitis Testing System including Analyzer(s), Reagents, Consumables and Services for the Harris County Hospital District dba Harris Health System

Vendor: Abbott Laboratories, Inc. (GA-05836)

Term: April 27, 2022 through April 26, 2023

Amount: $1,420,932 estimated
$1,291,757 previous year

Reviewed by: __X__ Laboratory __X__ Harris County Purchasing

Justification: To continue providing hepatitis testing to Harris Health System patients.

The estimated amount is higher than the previous year based on an increase in volume post COVID and the addition of Correctional Health. The vendor has agreed to renew under the same terms and conditions as set forth in the Agreement, with no increase in pricing.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA KB WKB

cc: Esmaeil Porsa, M.D., President & CEO
Michael Nnadi, CPO
Patricia Darnauer, EVP Administration LBJ
George Gaston, Business Operations & Strategic Initiatives
Vendor

A9

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 31, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Premier Healthcare Alliance, L.P. Contract

Members of the Board:

Please approve first year funding for the following GPO contracts:

Description:	Reusable Textiles and Textile Services	
Contracts Reviewed:	Standard Textile Co., Inc. (AS-FA-915)	$964,560 (partial quote)
	Medline Industries Inc. (PP-FA-913)	112,275 (partial quote)
	Encompass Group (PP-FA-912)	1,684 (partial quote)
Vendors:	Standard Textile Co., Inc. (AS-FA-915)	$964,560
	Medline Industries Inc. (PP-FA-913)	112,275
	Encompass Group (PP-FA-912)	1,684
Premier Term:	December 1, 2021 through November 30, 2022	
Amount:	$1,078,519 estimated $1,090,270 previous year	
Evaluated by:	__X__ Supply Chain Management	__X__ Harris County Purchasing
Justification:	To continue providing Harris Health System with reusable textile products such as bedspreads, sheets, pillows, pillowcases and patient apparel.	

The estimated amount is lower due to a decrease in insolation related items required to treat COVID-19 patients.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JAm
SCF
Attachment
cc: Esmaeil Porsa, M.D., President & CEO
Doug Creamer, Supply Chain Management
Vendor

A10

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

Board Summary

Board Date: April 28, 2022

Vendors: Standard Textile Co., Inc.; Medline Industries Inc.; Encompass Group

Standard Textile Co., Inc. (AS-FA-915)	$ 964,560	(Items 2-12, 14-20, 22, 23, 25-33, 38, 64-65)
Medline Industries Inc. (PP-FA-913)	112,275	(Item 21 & 24)
Encompass Group (PP-FA-912)	1,684	(Items 1, 13, 34-37, 39-63, 66)
	$1,078,519	

Description of Service: Reusable Textiles and Textile Services (PP-FA-915), (PP-FA-913) and (PP-FA-912).

Pavilion(s) Utilizing Contract: Harris Health System

Contract Elaboration: This is a Reusable Textile Products contract under which Standard Textile Co., Medline Industries Inc. and Encompass Group provides bedspreads, sheets, pillows, pillowcases and other patient apparel to Harris Health System.

Service Cost Breakout

- Previous year contract amount: $1,090,270
- Current year estimate new award pricing: $1,078,519

Recommend Award

A10

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

March 25, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Premier Healthcare Alliance, L.P. Contract

Members of the Board:

Please approve the first year funding for the following GPO contract:

Description: Maintenance, Repair and Operation (MRO) Equipment Supplies and Related Items for the Harris County Hospital District dba Harris Health System

Vendor: W.W. Grainger (PP-FA-987)

Term: May 1, 2022 through April 30, 2023

Amount: $1,030,000 estimated
$1,029,689 previous

Reviewed by: __X__ Facilities Engineering __X__ Harris County Purchasing

Justification: To provide continued maintenance, repair and operation equipment supplies and related items for the Harris County Hospital District dba Harris Health System.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
sm
STM
cc: Esmaeil Porsa, M.D., President & CEO
David Attard, Healthcare Systems Engineering
Vendor

A11

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

1111 Fannin, 12th Floor, Houston, TX 77002 Tel 713-755-5036 Fax 713-755-6695

Board Summary

Board Date: April 28, 2022

Vendor: W.W. Grainger

Description of Service: Maintenance, Repair and Operation (MRO) Equipment Supplies and Related Items for the Harris County Hospital District dba Harris Health System

Pavilion(s) Utilizing Contract: Harris Health System

Contract Elaboration: This is a maintenance, repair and operation equipment supplies contract under which W.W. Grainger provides Harris Health System with requested equipment supplies and related items upon order.

Service Cost Breakout

- Previous year contract amount: $1,029, 689
- W.W. Grainger renewal pricing: $1,030,000

Recommend Renewal

A11

as

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

March 22, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 20/0322, Board Motion 21.03-31

Members of the Board:

Please approve the first of four (4) renewal options for the following:

Description: Construction Manager-Agent for the Harris County Hospital District dba Harris Health System

Vendor: Faithful + Gould, Inc.

Term: May 4, 2022 through May 3, 2023

Amount: $1,000,000 estimated
$1,000,000 previous year

Reviewed by: __X__ Facilities Engineering __X__ Harris County Purchasing

Justification: To provide construction manager-agent services for Harris Health System.

The vendor has agreed to renew under the same terms and conditions as set forth in the Agreement, with no increase in pricing.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

mam

MAM
cc: Esmaeil Porsa, M.D., President & CEO
Dave Attard, Healthcare Systems Engineering
Vendor

A12

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

March 2, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 15/0101, Board Motion 21.01-06

Members of the Board:

Please ratify the sixth and final renewal option for the following:

Description: Vision Insurance for Harris County Hospital District dba Harris Health System

Vendor: Davis Vision, Inc. [GA-06387]

Term: March 1, 2022 through February 28, 2023

Amount: $986,401 estimated
$948,462 previous amount

Reviewed by: __X__ Benefits Administration __X__ Harris County Purchasing

Justification: To provide for continued vision insurance coverage of employees and retirees of Harris Health System.

The vendor has agreed to renew under the same terms and conditions with a 4% increase in rates as set forth in the Agreement.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
FDA
cc: Esmaeil Porsa, M.D., President & CEO
Omar Reid, SVP – Human Resources
Vendor

A13

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA MARCH 24, 2022

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

March 22, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Premier Healthcare Alliance, L.P. Contract

Members of the Board:

Please ratify the following purchase on the basis of best contract:

Description: Dialysis Equipment and Fluids

Vendor: Baxter Healthcare Corporation (PP-NS-1432)

Term: One-year initial term with four (4) one-year renewal options

Amount: $ 968,551 estimated
$1,076,670 previous year

Evaluated by: __X__ Evaluation Committee __X__ Harris County Purchasing

Justification: To provide peritoneal and hemodialysis equipment, solutions, and supplies to be used by Harris Health System Dialysis Services.

This is a new award resulting in lower pricing. The County Attorney's Office is preparing an Agreement for this purchase. This purchase is subject to execution of the Agreement.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
SP
SER
cc: Esmaeil Porsa, M.D., President & CEO
Douglas Creamer, Supply Chain Management
Vendor

A14

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 29, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Sole Source Exemption, Board Motion 21.05-55

Members of the Board:

Please approve the third of four (4) renewal options for the following on the basis of sole source:

Description: Equipment Repair and Maintenance Program for Endoscopy and Video Equipment for the Harris County Hospital District dba Harris Health System

Vendor: Olympus America Inc. (GA-05791)

Term: June 7, 2022 through June 6, 2023

Amount: $901,540 estimated
$901,540 previous year

Reviewed by: __X__ Healthcare Systems Engineering __X__ Harris County Purchasing

Justification: To provide full service, repair and maintenance of Olympus endoscopes and video equipment for Harris Health System.

The vendor has agreed to renew under the same terms and conditions as set forth in the Agreement, with no increase in pricing. The Office of the Harris County Purchasing Agent has confirmed the sole source exemption based on Olympus America Inc. as the sole manufacturer of its devices and only authorized maintenance and repair provider.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

sm
SCF
Attachment
cc: Esmaeil Porsa, M.D., President & CEO
David Attard, Healthcare Systems Engineering
Vendor

A15

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

Board Summary

Board Date: April 28, 2022

Vendor: Olympus America Inc.

Description of Service: Equipment Service Agreement

Pavilion(s) Utilizing Contract: Ben Taub, LBJ, ACS & ASC

Contract Elaboration: This is a full service maintenance contract under which Olympus provides Harris Health with:

- Technical support twenty-four (24) hours a day, seven (7) days per week. Provide a telephone response to technical inquiries for repairs within four hours.
- Repaired equipment will be returned to Customer via next day freight.
- All parts and labor
- Loaner equipment while ("Non-Functioning Equipment") is being repaired, or replacement equipment through the Advanced Replace® Program
- Preventative maintenance (PM) services

Service Cost Breakout

- Current Olympus contract pricing: $901,540.00
- Equipment Service Agreement renewal: $901,540.00

Recommend Renewal

A15

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

March 25, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Premier Healthcare Alliance, L.P. Contract

Members of the Board:

Please approve first year funding for the following GPO contracts:

Description: Patient Beds Rental for the Harris County Hospital District dba Harris Health System

Vendor: Hill-Rom Company, Inc. (PP-NS-1566)

Premier Term: March 1, 2022 through February 28, 2023

Amount: $884,544 estimated
$878,196 previous

Reviewed by: _X_ Supply Chain Management _X_ Harris County Purchasing

Justification: To continue providing Harris Health System with Patient Bed Rental.

The increased amount is due to an anticipated surge of post COVID pressure injury treatments utilizing rentals of therapeutic beds and surfaces.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
sm
PT

cc: Esmaeil Porsa, M.D., President & CEO
Doug Creamer, Supply Chain Management
Vendor

A16

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

March 15, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Professional Services Exemption, Texas LGC 262.024(a)(4)

Members of the Board:

Please ratify an exemption from the competitive bid requirements for the following:

Description: Temporary Locum Tenens for the Harris County Hospital District dba Harris Health System

Vendor: Physician Resources, Inc. [HCHD-241]

Term: One-year initial term with one (1) one-year renewal option

Amount: $750,000 estimated

Reviewed by: __X__ Nursing Operations Admin __X__ Harris County Purchasing

Justification: To provide health care services for the Harris Health Healthcare for the Homeless Program and at the Harris County Residential Treatment Center.

The County Attorney's Office prepared an Agreement for these services. The purchase is subject to execution of the Agreement.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
JLD
cc: Esmaeil Porsa, M.D., President & CEO
Maureen Padilla, SVP Nursing Affairs & Sppt Svcs
Vendor

A17

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

March 17, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: OMNIA Partners Public Sector Cooperative Purchasing Program, Board Motion 22.02-20

Members of the Board:

Please approve the renewal of the first of four (4) renewal options for the following:

Description: Time, Attendance, and Scheduling System for the Harris County Hospital District dba Harris Health System

Vendor: Kronos Incorporated (OMNIA Partners USC #18220) (CID HCHD-76)

Term: June 24, 2022 through June 23, 2023

Amount: $ 746,912 estimated
$2,036,166 previous year

Reviewed by: __X__ Financial Services __X__ Information Technology
__X__ Harris County Purchasing

Justification: To provide for the maintenance and support of the Kronos Workforce Dimensions Software which is the organization's Time, Attendance and Scheduling System.

The vendor has agreed to renew under the same terms and conditions as set forth in the agreement with no increase in pricing. The decreased amount is due to the previous year amount including implementation fees, the purchase of additional licenses for the organization and Correctional Health, and the purchase of the Nursing Staffing Module that do not apply to this renewal.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA KJB SPS

cc: Esmaeil Porsa, M.D., President & CEO
Victoria Nikitin, SVP Finance
David Chou, SVP & CIO
Vendor

A18

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

April 7, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Premier Healthcare Alliance, L.P. Contract, Board Motion 21.06-65

Members of the Board:

Please approve the fourth of six (6) renewal options for the following:

Description: Blood Bank Analyzer(s), Reagents, Consumables, and Service for the Harris County Hospital District dba Harris Health System

Vendor: Ortho Clinical Diagnostics through Cardinal Health (GA-07288)

Term: July 13, 2022 through July 12, 2023

Amount: $734,681 estimated
$667,891 previous year

Reviewed by: __X__ Laboratory __X__ Harris County Purchasing

Justification: To provide for continued analysis of blood tests using blood bank analyzers for Harris Health System patients.

The estimated amount is higher than the previous year based on a projected increase in volume. The County Attorney's Office has prepared an Amendment to the Agreement to place an additional analyzer at Lyndon B. Johnson Hospital and to add two (2) renewal options to the Agreement.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA KB WKB

cc: Esmaeil Porsa, M.D., President & CEO
Michael Nnadi, CPO
Patricia Darnauer, EVP Administration LBJ
George Gaston, Business Operations & Strategic Initiatives
Vendor

A19

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 28, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Sole Source Exemption, Board Motion 21.03-31

Members of the Board:

Please approve the following purchase on the basis of sole source:

Description: Software Maintenance and Support for Physiological Monitoring Equipment for the Harris County Hospital District dba Harris Health System

Vendor: Philips Healthcare

Term: May 1, 2022 through April 30, 2023

Amount: $693,706 estimated
$643,954 previous year

Reviewed by: __X__ Biomedical Engineering __X__ Harris County Purchasing

Justification: To provide for maintenance and support for the Physiological Monitoring Equipment for the Harris County Hospital District dba Harris Health System.

The increased amount includes additional equipment requiring maintenance and support. The County Attorney's Office will prepare an Agreement for these services. The purchase is subject to execution of the new Agreement. The Office of the Harris County Purchasing Agent has confirmed the sole source exemption based on Philips Healthcare as the sole service provider of Original Equipment Manufacturer (OEM) of Philips Healthcare Equipment, and as such, is the only vendor that has access to all aspects of the system design, manufacture and operation.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
sm
SCF
Attachment
cc: Esmaeil Porsa, M.D., President & CEO
David Attard, Healthcare Systems Engineering
Vendor

A20

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

Board Summary

Board Date: April 28, 2022

Vendor: Philips Healthcare

Description of Service: Software Maintenance and Support for the Physiological Monitoring Equipment

Pavilion(s) Utilizing Contract: Harris County Hospital District dba Harris Health System

Contract Elaboration: This is full service software maintenance and support contract under which Philips Healthcare provides Harris Health with software maintenance and support for our Physiological Monitoring Equipment.

Service Cost Breakout

- Previous year contract amount: $643,954
- Philips Healthcare new contract pricing: $693,706

Recommend Award

A20

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

March 16, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 19/0321, Board Motion 21.03-31

Members of the Board:

Please ratify the second of four (4) renewal options for the following:

Description: Employee Service Recognition and Rewards Program for the Harris County Hospital District dba Harris Health System

Vendor: Engage2Excel, Inc. [HCHD-169]

Term: April 16, 2022 through April 15, 2023

Amount: $667,454 estimated
$498,001 previous year

Reviewed by: __X__ Human Resources __X__ Harris County Purchasing

Justification: To provide a central reward system to increase employee engagement and morale, create a more positive work environment, increase retention rates and reinforce desired behaviors that support a culture of transformation productivity.

The increased amount is due to rewards distributed and not redeemed in prior year that are available for redemption in the upcoming year.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

JLD
cc: Esmaeil Porsa, M.D., President & CEO
Omar Reid, EVP & Chief People Officer
Vendor

A21

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

March 16, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Premier Healthcare Alliance, L.P. Contract, Board Motion 21.04-47

Members of the Board:

Please approve the purchase of the following on the basis of low quote:

Description:	Single Sign-On and Patient Secure Biometric Identification System Software Maintenance for the Harris County Hospital District dba Harris Health System	
Quotes Received:	Insight Direct USA, Inc. (PP-IT-241)	$639,504
	Zones, LLC. (PP-IT-237)	$660,960
Vendor:	Insight Direct USA, Inc.	
Term:	May 2, 2022 through May 1, 2023	
Amount:	$639,504 estimated	
Reviewed by:	__X__ Information Technology	__X__ Harris County Purchasing
Justification:	To provide for maintenance of the Imprivata One Sign single sign-on and Patient Secure Biometric Identification System. The One Sign system allows care providers to quickly and securely access all clinical and administrative applications providing better patient care. The Patient Secure Biometric Identification System is a palm vein application that accurately identifies each patient to ensure they receive the right care and protects against medical identity theft and insurance card sharing.	

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

JPS

cc: Esmaeil Porsa, M.D., President & CEO
David Chou, SVP & CIO
Vendors

A22

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 25, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: The Interlocal Purchasing Systems (TIPS), Board Motion 20.12-149

Members of the Board:

Please ratify the renewal for the following:

Description: Lease of Vehicles for the Harris County Hospital District dba Harris Health System

Vendor: Enterprise Fleet Management, Inc. (HCHD-377 / TIPS-190402)

Term: January 28, 2022 through January 27, 2023

Amount: $632,000 estimated
$450,000 previous year

Reviewed by: __X__ System Logistics __X__ Harris County Purchasing

Justification: Additional funds are needed due to an increase of vehicles identified in FY22 to be placed into the global lease program. The County Attorney's Office is preparing an Amendment to the Agreement for these services.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
sm
STM
Attachment
cc: Esmaeil Porsa, M.D., President & CEO
Chris Okezie, VP Operations
Tim Brown, Systems Logistics
Vendor

A23

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

1111 Fannin, 12th Floor, Houston, TX 77002 Tel 713-755-5036 Fax 713-755-6695

Board Summary

Board Date: April 28, 2022

Vendor: Enterprise Fleet Management, Inc.

TIPS Contract: 190402

Description of Service: Vehicle Lease Program for the Harris County Hospital District dba Harris Health System

Pavilion(s) Utilizing Contract: Harris Health System

Contract Elaboration: This is a leasing agreement for a variety of vehicles to be provided to various departments throughout Harris Health System.

Service Cost Breakout

	Monthly Total	Annual Total
Capital Cost - FY21 Vehicle Lease (31 Vehicles) Carry over to FY22	$ 22,370.74	$ 268,448.88
Capital Cost - FY22 Vehicle Lease (Est. Qty – 26)	$ 30,264.00	$ 363,168.00
	TOTAL CAPITAL:	**$ 631,616.88**

****Harris Health System will have approximately 57 vehicles through Enterprise Lease Program by end of FY22.****

- Previous year contract amount: $450,000
- Enterprise Fleet Management, Inc. renewal pricing: $632,000

A23

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

March 25, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 12/0226, Board Motion 21.05-55

Members of the Board:

Please approve the following purchase on the basis of professional services:

Description: Retinal Imaging System (and Services) for the Harris County Hospital District dba Harris Health System

Vendor: Intelligent Retinal Imaging Systems, LLC (IRIS), (GA-05256-07)

Term: May 22, 2022 through May 21, 2023

Amount: $602,000 estimated
$419,082 previous

Reviewed by: __X__ Ambulatory Care Services __X__ Harris County Purchasing

Justification: To provide for continued diabetic screening services and a Retina Specialist to read and grade retinal images of Harris Health System patients from the IRIS automated fundus camera systems used in Ambulatory Care Services (ACS) clinics.

The estimated increase is to account for resuming normal operations post COVID-19 pandemic. Ophthalmologists, licensed in the State of Texas, provide the professional services. The vendor has agreed to renew under the same terms and conditions as set forth in the Agreement, with no increase in pricing.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
sm
STM
cc: Esmaeil Porsa, M.D., President & CEO
Jennifer Small, VP Operations Ambulatory Care Services
Vendor

A24

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

1111 Fannin, 12th Floor, Houston, TX 77002 Tel 713-755-5036 Fax 713-755-6695

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

March 16, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Department of Information Resources (DIR), Board Motion 21.04-47

Members of the Board:

Please approve the purchase of the following on the basis of only quote:

Description: ProofPoint, Email Defense, Threat Response, Targeted Attack Protection (TAP) Suite with Domain Discovery Subscription for the Harris County Hospital District dba Harris Health System

Vendor: Set Solutions, Inc. (DIR-TSO-4361)

Term: May 13, 2022 through May 12, 2023

Amount: $579,712 estimated

Reviewed by: __X__ Information Security __X__ Harris County Purchasing

Justification: To provide for ProofPoint Suite with Domain Discovery (DD) Subscription, which offers critical protection against cyber-attacks to all of the organization's workforce email users by allowing fraudulent domains identification.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

cc: Esmaeil Porsa, M.D., President & CEO
Jeffrey Vinson, SVP & CISO
Vendor

A25

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 18, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Department of Information Resources (DIR), Board Motion 21.08-77

Members of the Board:

Please ratify the third of four renewal options for the following:

Description: Photocopier/Scanner Lease and Services for the Harris County Hospital District dba HarrisHealth System

Vendor: Ricoh USA, Inc. (DIR-CPO-4435) (GA-07322)

Term: April 5, 2022 through April 4, 2023

Amount: $579,239 estimated
$579,239 previous year

Reviewed by: X Supply Chain Management X Harris County Purchasing

Justification: To continue the lease of photocopiers with multifunctional capability including color scanning to e-mail or file, network print, fax capability and plain paper duplex copier functionality at various Harris Health System and Community Health Choice, Inc. locations.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
KJB
cc: Esmaeil Porsa, M.D., President & CEO
Doug Creamer, Supply Chain Management
Vendor

A26

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 17, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Professional Services Exemption, Texas LGC 262.024(a)(4), Board Motion 21.12-113

Members of the Board:

Please ratify additional funds for the following:

Description: Special Counsel to represent the Harris County Hospital District dba Harris Health System

Vendor: Perkins Coie LLP [HCHD-627]

Amount: $575,000 estimated additional funds for the term 10/8/21 – 10/7/22
$375,000 previously approved amount for the term 10/8/21 – 10/7/22
$950,000

Reviewed by: _X_ Legal Affairs _X_ Harris County Purchasing

Justification: Additional funding is needed due to a higher than expected need for legal services for a proposed oncology collaboration implicating healthcare regulations and other complex health care matters, including human subjects research.

The County Attorney's Office prepared an Amendment to the Agreement for the additional funds. The additional funds are subject to execution of the Amendment.

Sincerely,

p.p. John G. Adger

DeWight Dopslauf
Purchasing Agent

JLD
cc: Esmaeil Porsa, M.D., President & CEO
L. Sara Thomas, VP Legal Affairs
Vendor

A27

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

DeWight Dopslauf, C.P.M., CPPO
Harris County Purchasing Agent
March 10, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Sole Source Exemption, Texas LGC 262.024 (a)(7)

Members of the Board:

Please approve the following on the basis of sole source:

Description: Epic Lumens Gastroenterology Software and Implementation for the Harris County Hospital District dba Harris Health System

Vendor: Epic Systems Corporation

Amount: $559,004 estimated

Reviewed by: __X__ Information Technology __X__ Harris County Purchasing

Justification: To provide the Epic Lumens software application to be used by Gastroenterology. It provides tools for viewing and managing endoscopy images sent to Epic by external endoscopy systems.

The Office of the Harris County Purchasing Agent has confirmed the sole source exemption based on Epic Systems Corporation as the sole provider

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
KJB
cc: Esmaeil Porsa, M.D., President & CEO
David Chou, SVP & CIO
Vendor

A28

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 10, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Premier Healthcare Alliance, L.P. Contract, Board Motion 21.08-77

Members of the Board:

Please approve second year funding for the following GPO contract:

Description: Bone and Bone Substitute Implantable Products

Vendor: Musculoskeletal Transplant Foundation (PP-OR-1858)

Term: July 1, 2022 through June 30, 2023

Amount: $549,770 estimated
$549,770 previous year

Reviewed by: __X__ Supply Chain Management __X__ Harris County Purchasing

Justification: To continue providing Harris Health System with products used to fill bone voids, induce bone fusion and stimulate bone growth.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

SP
AM
cc: Esmaeil Porsa, M.D., President & CEO
Douglas Creamer, Supply Chain Management
Vendor

A29

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 31, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 16/0272, Board Motion 22.01-06

Members of the Board:

Please approve utilization of the following contract:

Description: Pharmaceutical Dispensing for Institutionalized Persons of Harris

Vendor: County Diamond Drugs, Inc. d/b/a Diamond Pharmacy Services

Amount:

$525,000	additional funds for the term 05/01/22 – 8/31/22
350,000	previously approved funds for the term 02/01/22 – 04/30/22
$875,000	

Reviewed by: __X__ Fiscal Administration __X__ Harris County Purchasing

Justification: To allow Harris Health System to utilize this contract to continue support to Harris County Community Supervision & Corrections Department (CSCD), in accordance with the Interlocal Agreement between Harris Health System and CSCD for provision of health care services and pharmaceuticals to misdemeanor and felony offenders.

Additional funds are required to cover services due to the extended term. The term is being extended to provide services until this project is competitively bid and a new contract is in place.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

JA
BPO BA

cc: Esmaeil Porsa, M.D., President & CEO
Victoria Nikitin, EVP & CFO Fiscal Administration
Vendor

A30

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

March 28, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 19/0136, Board Motion 21.01-06

Members of the Board:

Please ratify utilization of the following contract:

Description: Fleet Fuel Cards, Monitoring & Dispensing System and Related Items

Vendor: FleetCor Technologies Operations Company LLC d.b.a. Fuelman

Term: January 28, 2022 through January 27, 2023

Amount: $500,000 estimated
$190,000 previous

Reviewed by: __X__ System Logistics __X__ Harris County Purchasing

Justification: To allow Harris Health System to utilize this contract for mobile fueling services during emergency and non-emergency conditions.

The increased amount is due to the current park and ride services that Harris Health System is providing for employees at Ben Taub Hospital and Smith Clinic.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
sm
STM

cc: Esmaeil Porsa, M.D., President & CEO
Chris Okezie, VP Operations
Tim Brown, System Logistics
Vendor

A31

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

1111 Fannin, 12th Floor, Houston, TX 77002 Tel 713-755-5036 Fax 713-755-6695

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

March 10, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Premier Healthcare Alliance, L.P. Contract, Board Motion 21.04-47

Members of the Board:

Please approve fifth year funding for the following GPO contract:

Description:	Blood Pressure Cuffs and Accessories
Vendor:	Welch Allyn Inc. (AS-MM-631) through Cardinal Health
Term:	June 1, 2022 through May 31, 2023
Amount:	$477,451estimated $487,551previous year
Reviewed by:	__X__ Supply Chain Management __X__ Harris County Purchasing
Justification:	To continue to provide Harris Health System with blood pressure devices, cuffs and accessories.

The decreased amount is a result of the anticipated decrease in blood pressure cuffs required.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
SP
BKP
cc: Esmaeil Porsa, M.D., President & CEO
Doug Creamer, Supply Chain Management
Vendor

A32

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

1001 Preston, Suite 670, Houston, TX 77002 Tel 713-274-4400 Fax 713-755-6695

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

March 25, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Sole Source Exemption; Texas LGC 262.024 (a) (7), Board Motion 21.08-77

Members of the Board:

Please approve the following on the basis of sole source:

Description: Implementation and Support Services for the Epic Enterprise Information Systems for the Harris County Hospital District dba Harris Health System

Vendor: Epic Systems Corporation

Term: July 8, 2022 through July 7, 2023

Amount: $413,800 estimated
$413,800 previous year

Reviewed by: __X__ Information Technology __X__ Harris County Purchasing

Justification: To provide implementation and support services for Epic Enterprise Information systems as needed for projects such as Supply Shop- Grand Central, Correctional Health and Research.

The Office of the Harris County Purchasing Agent has confirmed the sole source exemption based on Epic Systems Corporation as the sole provider of the software application, and as such, Epic will provide support for implementation.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
KJB
cc: Esmaeil Porsa, M.D., President & CEO
David Chou, SVP & CIO
Vendor

A33

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

11111 Fannin, 12th Floor, Houston, TX 77002 | Tel 713-274-4400 | Fax 713-755-6695

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

March 9, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Public Health and Safety Exemption

Members of the Board:

Please ratify an exemption from the competitive bid requirements for the following:

Description: Temporary Nursing Personnel for Harris County Hospital District dba Harris Health System

Vendor: JWS Health Consultants, Inc. dba UltraStaff [HCHD-231]

Term: One-year initial term with one (1) one-year renewal option

Amount: $350,000 estimated

Reviewed by: __X__ Nursing Operations Admin __X__ Harris County Purchasing

Justification: To provide for temporary staffing of nursing personnel to meet the increase in demand of patient healthcare due to Covid-19 at various locations throughout the Harris Health System.

The County Attorney's Office prepared an Agreement for these services. The purchase is subject to execution of the Agreement.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
JLD
cc: Esmaeil Porsa, M.D., President & CEO
Maureen Padilla, SVP Nursing Affairs & Support Services
Vendor

A34

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

March 15, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Public Health or Safety Exemption, Texas LGC 262.024(a)(2), Board Motion 21.03-31

Members of the Board:

Please ratify the renewal and an exemption from the competitive bid requirements for the following:

Description: Nursing Recruitment Services for the Harris County Hospital District dba Harris Health System

Vendor: Incredible Health, Inc. [HCHD-402]

Term: March 4, 2022 through March 3, 2023

Amount: $310,000 estimated
$195,000 previous year

Reviewed by: X Executive Nursing X Harris County Purchasing
X Talent Acquisition Management

Justification: To utilize the Incredible Health Platform and Services to recruit and hire permanent registered nurses and nurse practitioners.

The increased amount is due to the increase in number of open positions that will be recruited through the vendors platform. The vendor agreed to renew under the same terms, conditions and pricing as set forth in the Agreement.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

JLD
cc: Esmaeil Porsa, M.D., President & CEO
Omar Reid, EVP & Chief People Officer
Maureen Padilla, SVP Nursing Affairs & Sppt Svcs
Vendor

A35

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

April 12, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: **Department of Information Resources (DIR), Board Motion 21.02-22**

Members of the Board:

Please approve the first of four (4) renewal options for the following:

Description: Copy Center Services for the Harris County Hospital District dba Harris Health System

Vendor: Ricoh USA, Inc. (DIR-CPO-4435) (HCHD-361)

Term: May 4, 2022 through May 3, 2023

Amount: $298,198 estimated
$291,448 previous year

Reviewed by: _X_ Supply Chain Management _X_ Harris County Purchasing

Justification: To continue to provide copy center services for the Harris Health System including equipment, installation, implementation, travel, training, consumables (less paper), maintenance and support for Harris Health System.

The vendor has agreed to renew under the same terms and conditions with a 5% increase in pricing for staffed onsite labor as set forth in the Agreement.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

KJB
cc: Esmaeil Porsa, M.D., President & CEO
Doug Creamer, Supply Chain Management
Vendor

A36

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 21, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 21/0081, Board Motion 21.05-55

Members of the Board:

Please approve renewal for the following:

Description: Manual Immunochemical Fecal Occult Blood Test Kits for the Harris County Hospital District dba Harris Health System

Vendor: Polymedco Cancer Diagnostic Products, LLC (HCHD-474)

Term: June 1, 2022 through May 31, 2023

Amount: $280,000 estimated
$243,008 previous year

Reviewed by: __X__ Laboratory __X__ Harris County Purchasing

Justification: To continue providing take-home fecal occult blood immunochemical testing kits for Harris Health System patients.

The estimated amount is higher than the previous year due to an expected increase in volume. The vendor has agreed to renew under the same terms and conditions as set forth in the contract, with no increase in pricing.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
KB
WKB

cc: Esmaeil Porsa, M.D., President & CEO
Michael Nnadi, CPO
Patricia Darnauer, EVP Administration LBJ
George Gaston, Business Operations & Strategic Initiatives
Vendor

A37

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 22, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 17/0115, Board Motion 20.06-90

Members of the Board:

Please approve the first of two (2) renewal options for the following:

Description: Ophthalmology Intraocular Lens and Related Items for the Harris County Hospital District dba Harris Health System

Vendor: AMO Sales and Service, Inc. d/b/a J&J Vision (HCHD-267)

Term: June 11, 2022 through June 10, 2023

Amount: $261,105 estimated
$261,105 previous year

Reviewed by: __X__ Supply Chain Management __X__ Harris County Purchasing

Justification: To continue providing intraocular lens and related items used in Ophthalmology surgical procedures for the Operating Room at Ben Taub and Lyndon B. Johnson Hospitals.

The vendor has agreed to renew under the same terms and conditions as set forth in the Agreement, with no increase in pricing.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA SP
SER
cc: Esmaeil Porsa, M.D., President & CEO
Douglas Creamer, Supply Chain Management
Vendor

A38

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 16, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Choice Partners National Purchasing Cooperative, Board Motion 21.03-31

Members of the Board:

Please approve the purchase of the following on the basis of low quote:

Description: Maintenance and Support for Gigamon Intrusion Detection and Prevention System for Hardware and Software for the Harris County Hospital District dba Harris Health System

Quotes Received:

Set Solutions, Inc. (Choice Partners# 21/031KN-55)	$243,732
Sirius Computer Solutions, LLC. (DIR-TSO-3926)	$248,681
Zones, LLC. (PP-IT-237)	$253,756
Insight Direct USA, Inc. (PP-IT-241)	$255,044
Connection (PP-IT-238)	$262,522
SHI Government Solutions, Inc. (OMNIA# 2018011-02)	$267,602

Vendor: Set Solutions, Inc.

Term: May 11, 2022 through May 10, 2023

Amount: $243,732 estimated

Reviewed by: __X__ Information Security __X__ Harris County Purchasing

Justification: To provide for continued maintenance and support for the Gigamon Intrusion Prevention System (IPS) that works in conjunction with the Cisco IPS. This solution provides visibility to network traffic and provides resiliency for the organization's security solutions used by both the Information Security and IT departments.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

JPS

cc: Esmaeil Porsa, M.D., President & CEO
Jeffrey Vinson, SVP & CISO
Vendors

A39

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 14, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Premier Healthcare Alliance, L.P. Contract, Board Motion 21.05-55

Members of the Board:

Please approve third year funding for the following:

Description: Positron Emission Tomography **(**PET) Isotopes

Vendor: Sofie Co. (PP-IM-408)

Term: June 1, 2022 through May 31, 2023

Amount: $240,336 estimated
$228,891 previous year

Reviewed by: __X__ Radiology __X__ Harris County Purchasing

Justification: To provide for radioactive tracers (isotopes) used in PET scans for the Harris Health System Radiology department.

The vendor has agreed to renew under the same terms and conditions with a 5% increase in pricing, as set forth in terms of the agreement.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
BPO
BA

cc: Esmaeil Porsa, M.D., President & CEO
Jennifer Small, EVP Ambulatory Care Services
Diana Mathai, Imaging Services
Vendor

A40

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 24, 2022

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

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

April 7, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Premier Healthcare Alliance, L.P., Board Motion 22.03-40

Members of the Board:

Please ratify additional funds for the following:

Description: Integrated Platform for Chemistry and Immunochemistry Analyzer(s), Automation, Reagents, Consumables, and Service for the Harris County Hospital District dba Harris Health System

Vendor: Beckman Coulter, Inc. (GA-06647)

Amount: $ 236,378 additional funds for the term 05/08/21 – 05/07/22
2,469,686 previously approved funds for the term 05/08/21 – 05/07/22
$2,706,064

Reviewed by: X Laboratory X Harris County Purchasing

Justification: Additional funds are required to pay outstanding invoices as well as continue automated chemistry & immunochemistry testing services through the third renewal option. A purchase order has been issued.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

KB WKB

cc: Esmaeil Porsa, M.D., President & CEO
Michael Nnadi, CPO
Patricia Darnauer, EVP Administration LBJ
George Gaston, Business Operations & Strategic Initiatives
Vendor

A41

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

March 25, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 18/0290

Members of the Board:

Please ratify the third of four (4) renewal options for the following:

Description: Water Safety Management Program for the Harris County Hospital District dba Harris Health System

Vendor: Nalco Water (GA-07541)

Term: April 16, 2022 through April 15, 2023

Amount: $233,561 estimated
$178,868 previous

Reviewed by: __X__ Healthcare Systems Engineering __X__ Harris County Purchasing

Justification: To provide consulting, risk analysis, site specific plans, and remediation monitoring services for water management for various Harris Health System facilities.

The increased amount is based on additional testing and monitoring services. The County Attorney's Office is preparing an Amendment to the Agreement for these services.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
STM
Attachment
cc: Esmaeil Porsa, M.D., President & CEO
David Attard, Healthcare Systems Engineering
Vendor

A42

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

1111 Fannin, 12th Floor, Houston, TX 77002 Tel 713-755-5036 Fax 713-755-6695

Board Summary

Board Date: April 28, 2022

Vendor: Nalco Water

Description of Service: Water Safety Management Program for the Harris County Hospital District dba Harris Health System

Pavilion(s) Utilizing Contract: Harris Health System

Contract Elaboration: This is a consulting, risk analysis (legionella testing), site specific planning, and remediation monitoring services for water management for Harris Health System facilities.

Service Cost Breakout

- Previous year contract amount: $178,868
- Nalco renewal pricing: $233,561

Recommend Renewal

A42

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

March 25, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 21/0066, Board Motion 21.04-47

Members of the Board:

Please approve the first of four (4) renewal options for the following:

Description: Lease of Shuttle Buses for the Harris County Hospital District dba Harris Health System

Vendor: Matran, Inc dba Master's Leasing and Rental (HCHD-460)

Term: June 1, 2022 through May 31, 2023

Amount: $192,648 estimated
$177,474 previous

Reviewed by: __X__ System Logistics __X__ Harris County Purchasing

Justification: To provide leased shuttle buses for Ben Taub Hospital and Smith Clinic for the offsite parking initiative in support of Harris Health System staff.

The estimated increase is required to cover shuttle services while the existing fleet undergoes routine maintenance and repairs. The vendor has agreed to renew under the same terms and conditions as set forth in the Agreement, with no increase in pricing.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
sm
STM
cc: Esmaeil Porsa, M.D., President & CEO
Chris Okezie, VP Operations
Tim Brown, System Logistics
Vendor

A43

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

1111 Fannin, 12th Floor, Houston, TX 77002 Tel 713-755-5036 Fax 713-755-6695

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

March 17, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 17/0271, Board Motion 21.04-47

Members of the Board:

Please approve the fourth of six (6) renewal options for the following:

Description: Back Up Care (Child and Eldercare) Services for the Harris County Hospital District dba Harris Health System

Vendor: Care.com, Inc. [GA-07223]

Term: May 15, 2022 through May 14, 2023

Amount: $190,938 estimated
$449,016 previous year

Reviewed by: __X__ Benefits Administration __X__ Harris County Purchasing

Justification: To provide for continued back up care (child and eldercare) services to supplement the employees benefits package for all active, benefits eligible, employees of Harris Health System. These services allow employees access to care when primary services are unavailable.

The decreased amount is due to heavy utilization through the pandemic that is stabilizing. The vendor agreed to renew under the same terms, conditions and pricing as set forth in the Agreement. The County Attorney's Office is preparing an Amendment to add the fifth and six renewal options to extend the Agreement until a competitive proposal process is complete.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

JLD
cc: Esmaeil Porsa, M.D., President & CEO
Omar Reid, EVP & Chief People Officer
Vendor

A44

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

March 25, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Sole Source Exemption, Texas LGC 262.024 (a) (7), Board Motion 21.04-47

Members of the Board:

Please approve the renewal of the following on the basis of sole source:

Description:	Software License, Maintenance and Support for Speech (Voice) recognition System for the Harris County Hospital District dba Harris Health System
Vendor:	Nuance Communications, Inc. (CID GA-05939)
Term:	May 19, 2022 through May 18, 2023
Amount:	$175,687 estimated $174,848 previous year
Reviewed by:	X Information Technology X Harris County Purchasing
Justification:	To continue to provide software maintenance and support for the Nuance PowerScribe Voice Dictation system that provides voice dictation capabilities for our radiology reports.

The vendor has agreed to renew with a 0.5% increase as set forth in the Agreement. The Office of the Harris County Purchasing Agent has confirmed the sole source exemption based on Nuance Communications, Inc. as the sole provider of maintenance services for the PowerScribe Speech (Voice) Recognition System.

.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
KJB
cc: Esmaeil Porsa, M.D., President & CEO
David Chou, SVP and CIO
Vendor

A45

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 24, 2022

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

March 22, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Premier Healthcare Alliance, L.P. Contract

Members of the Board:

Please approve first year funding for the following GPO contract:

Description: Dialysis Equipment and Fluids

Vendor: B. Braun Medical, Inc. (PP-NS-1433)

Premier Term: February 1, 2022 through January 31, 2023

Amount: $167,408 estimated
$167,455 previous year

Evaluated by: __X__ Evaluation Committee __X__ Harris County Purchasing

Justification: To provide peritoneal and hemodialysis equipment, solutions, and supplies to be used by Harris Health System Dialysis Services.

This is a new award resulting in lower pricing.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
SP
SER
cc: Esmaeil Porsa, M.D., President & CEO
Douglas Creamer, Supply Chain Management
Vendor

A46

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 17, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Texas Health & Safety Code 61.056(a), Interlocal Agreement

Members of the Board:

Please ratify an exemption from the competitive bid requirements for the following:

Description: Dental Health Services for the Health Care for the Homeless Program for the Harris County Hospital District dba Harris Health System

Agency: The University of Texas Health Science Center at Houston [HCHD-645]

Term: April 1, 2022 through March 31, 2023 with three (3) one-year renewal options

Amount: $160,000 HRSA Grant Funds

Reviewed by: _X_ Health Care for the Homeless _X_ Harris County Purchasing

Justification: To provide dental health services in the Health Care for the Homeless Program Mobile Dental Unit to eligible homeless individuals.

Funding will be provided through a Health Resources and Services Administration (HRSA) Grant. The County Attorney's Office is prepared an Agreement for these services. Services are subject to execution of the Agreement.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
JLD
cc: Esmaeil Porsa, M.D., President & CEO
Jennifer Small, EVP – ACS
Agency

A47

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

March 16, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Public Health or Safety Exemption, Texas LGC 262.024(a)(2), Board Motion 21.03-31

Members of the Board:

Please approve the fifth of six (6) renewal options and an exemption from the competitive bid for the following:

Description: Document Translation, Foreign Language Interpretation Services, and SIG Translation Services for the Harris County Hospital District dba Harris Health System

Vendor: Masterword Services, Inc. [GA-06804]

Term: June 21, 2022 through June 20, 2023

Amount: $160,000 estimated
$888,133 previous amount

Reviewed by: __X__ Language Access Services __X__ Harris County Purchasing
__X__ Pharmacy Operations

Justification: To provide document translation, in-person interpreters, and to translate SIGS written in English to Spanish or Vietnamese for non-English speaking patients until a competitive proposal process is complete.

The decreased amount is due to the previous amount containing one-time costs associated to services provided for the bulk translations for Pharmacy and implementation of SIG translations. The County Attorney's Office is preparing an Amendment to the Agreement to add the fifth and sixth renewal options. Renewal is subject to execution of the Amendment.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA JLD

cc: Esmaeil Porsa, M.D., President & CEO
Michael Nnadi, Chief Pharmacy & Lab Officer
Jennifer Small, EVP – ACS
Vendor

A48

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

March 16, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Choice Partners National Purchasing Cooperative

Members of the Board:

Please approve the purchase of the following on the basis of low quote:

Description:	Ordr License Subscription for the Harris County Hospital District dba Harris Health System	
Quotes Received:	Set Solutions, Inc. (Choice Partners# 21/031KN-55)	$158,881
	Insight Direct USA, Inc. (PP-IT-241)	$173,900
	Connection (PP-IT-238)	$182,410
Vendor:	Set Solutions, Inc.	
Amount:	$158,881 estimated	
Reviewed by:	__X__ Information Security	__X__ Harris County Purchasing
Justification:	To provide for Ordr Licenses that monitor the medical devices and Internet of Things (IoT) applications throughout the organization for cyber risk assessment.	

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

cc: Esmaeil Porsa, M.D., President & CEO
Jeffrey Vinson, SVP & CISO
Vendors

A49

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 16, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Choice Partners National Purchasing Cooperative

Members of the Board:

Please approve the purchase of the following on the basis of low quote:

Description:	Security Analytics Platform License for the Harris County Hospital District dba Harris Health System	
Quotes Received:	Set Solutions, Inc. (Choice Partners# 21/031KN-55)	$128,671
	Insight Direct USA, Inc. (PP-IT-241)	$154,466
Vendor:	Set Solutions, Inc.	
Term:	May 25, 2022 through May 24, 2023	
Amount:	$128,671 estimated	
Reviewed by:	_X_ Information Security	_X_ Harris County Purchasing
Justification:	To provide for RedSeal Security Analytics Platform licenses that help monitor the organization's network devices to ensure compliance with cyber security standards and to manage incident response.	

Sincerely,

pp. John J. Adger

DeWight Dopslauf
Purchasing Agent

JPS

cc: Esmaeil Porsa, M.D., President & CEO
Jeffrey Vinson, SVP & CISO
Vendors

A50

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

March 18, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 17/0196, Board Motion 20.12-149

Members of the Board:

Please ratify the fourth of six (6) renewal options for the following:

Description: Workers' Compensation Third Party Administration and Associated Services for the Harris County Hospital District dba Harris Health System

Vendor: Sedgwick Claims Management Services, Inc. [GA-07153]

Term: January 1, 2022 through December 31, 2022

Amount: $127,520 estimated
$171,178 previous year

Reviewed by: __X__ Learning and Development __X__ Harris County Purchasing

Justification: To provide for continued comprehensive Workers' Compensation claims management, medical cost containment, a Risk Management Information System and associated services for Harris Health System until a competitive proposal process is complete.

The decreased amount is due to a lowered rate. The previous rate was based on personnel solely dedicated to Harris Health System's account. Harris Health System determined that its volume no longer warrants dedicated personnel. Since the personnel handling the Harris Health System account may also manage accounts of other clients, the vendor agreed to lower the rate. The County Attorney's Office is preparing an Amendment to decrease the rate and add the fifth and sixth renewal options. The decreased rate is subject to execution of the Amendment.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
FDA

cc: Esmaeil Porsa, M.D., President & CEO
Omar Reid, EVP & Chief People Officer
Vendor

A51

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

March 16, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Department of Information Resources, Board Motion 21.04-47

Members of the Board:

Please approve the purchase of the following on the basis of low quote:

Description:	Adobe Acrobat Software Maintenance for the Harris County Hospital District dba Harris Health System	
Quotes Received:	Dell Marketing, L.P. (DIR-TSO-3763)	$124,059
	Zones, LLC. (PP-IT-237)	$126,670
	Insight Direct USA, Inc. (PP-IT-241)	$127,226
	Connection (PP-IT-238)	$130,959
Vendor:	Dell Marketing, L.P.	
Term:	May 10, 2022 through May 9, 2023	
Amount:	$124,059 estimated	
Reviewed by:	__X__ Information Technology	__X__ Harris County Purchasing
Justification:	To provide for the annual maintenance of all the Adobe software products which includes, but is not limited to, Adobe Pro DC, Creative Suite, and Captivate. Maintenance and support includes technical support, patch fixes, and version upgrades.	

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

cc: Esmaeil Porsa, M.D., President & CEO
David Chou, SVP & CIO
Vendors

A52

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 17, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Sole Source Exemption - Local Government Code § 262.024 (a)(7)(A), Board Motion 21.05-55

Members of the Board:

Please approve the renewal of the first of four (4) renewal options for the following:

Description: Maintenance and Support for ExitCare® Software for the Harris County Hospital District dba Harris Health System

Vendor: Elsevier, Inc. (CID GA-07280)

Term: June 15, 2022 through June 14, 2023

Amount: $119,749 estimated
$120,456 previous year

Reviewed by: __X__ Information Technology __X__ Harris County Purchasing

Justification: To provide for the continued maintenance and support for the ExitCare® software, an integrated evidence-based tool used by clinicians to supply patients with documented information on wound and illness treatment after their discharge from the hospital or clinic.

The vendor has agreed to renew under the same terms and conditions as set forth in the agreement. The decreased amount is due to the previous term's amount included pro-rated fees that no longer apply. The Office of the Harris County Purchasing Agent has confirmed the sole source exemption based on Elsevier, Inc. owning the copyright for the IT standard ExitCare® Software.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

cc: Esmaeil Porsa, M.D., President & CEO
David Chou, SVP & CIO
Vendor

A53

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 24, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Department of Information Resources (DIR)

Members of the Board:

Please approve the purchase of the following on the basis of low quote:

Description:	Global Positioning Service (GPS) for Vehicle Monitoring System for the Harris County Hospital District dba Harris Health System	
Quotes Received:	Great South Texas Corp dba Computer Solutions (TIPS-210101)	$107,600
	Samsara Inc. (Sourcewell 020221-SAM)	$109,128
Vendor:	Great South Texas Corp dba Computer Solutions	
Term:	May 1, 2022 through April 30, 2023	
Amount:	$107,600	
Reviewed by:	X System Logistics	X Harris County Purchasing
Justification:	To provide Global Positioning Services (GPS) Vehicle Tracking Hardware, Software Licenses and Monitoring Service for Harris Health System Vehicles.	

The County Attorney's Office is preparing an Agreement for the equipment and services.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
sm

SCF
Attachment
cc: Esmaeil Porsa, M.D., President & CEO
Chris Okezie, VP Operations
Tim Brown, System Logistics
Vendor

A54

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

Board Summary

Board Date: April 28, 2022

Vendor: Great South Texas Corp dba Computer Solutions, TIPS-210101

Description of Service: GPS Tracking Vehicle Monitoring System

Pavilion(s) Utilizing Contract: System Logistics

Contract Elaboration: This purchase includes software licenses, hardware and monitoring service agreement under which Great South Texas Corp dba Computer Solutions provides Harris Health System with:

- Hardware and accessories for installation within Harris Health System vehicles.
- Licenses for vehicle Gateways for agreed service.
- Annual subscription (support and maintenance)

Service Cost Breakout

- Initial year agreement pricing: $107,600
- 2nd and 3rd year each annually: $107,600/year

Financial Analysis:

Vendor	Great South Texas Corp dba Computer Solution	Samsara Inc.	Solid Border Inc.
Description			
Samsara Hardware (Vehicle to Gateway, L-Mount Cable, Dual-facing dash camera & Universal Cable and Shipping)	$0.00	$1,056*	No Bid
Licenses, Maintenance & Supportx, Year 1 (License for Vehicle Gateways & LIC-CM2-ENT)	$107,599.10	$108,072	No Bid
Total Cost – Year 1	$107,599.10	$109,128	
Annual Subscription (Support & Maintenance) Years 2 & 3	$107,599.10	$108,600	No Bid
Total cost of ownership	$322,797.30	$324,744.00	No Bid

*Shipping Cost

Recommend Award: Great South Texas Corp dba Computer Solutions

A54

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

March 1, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Premier Healthcare Alliance, L.P. Contract

Members of the Board:

Please approve the following purchase on the basis of best contract:

Description:	Auto Endoscopic Reprocessor	
Contracts Reviewed:	Advanced Sterilization Products Services Inc. (PP-OR-1820)	$ 90,000
	Medivators Inc. (PP-OR-1821)	$ 117,416
Vendor:	Advanced Sterilization Products Services Inc.	
Amount:	$90,000	
Reviewed by:	__X__ Healthcare Systems Engineering	__X__ Harris County Purchasing
Justification:	To provide the Sterile Processing Department (SPD) at Ben Taub Hospital with new endoscopic reprocessors replacing the current units that are past their expected useful life.	

Amount includes trade-in credit of $32,832 for two (2) each of existing ASP Evotech 50014 endoscope reprocessors. ASP was evaluated as best meeting all user requirements. Therefore, other Premier vendor was not selected.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
SP
AM
Attachment
cc: Esmaeil Porsa, M.D., President & CEO
David Attard, Healthcare Systems Engineering
Vendors

A55

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

Board Summary

Board Date: April 28, 2022

Pavilion(s)/Department(s): Ben Taub Hospital / Sterile Processing Department

Item Description: Endoscope Reprocessor, Automated

Estimated Cost: $90,000.00 (FY22 Routine Capital Budget)

Project Elaboration: For the Sterile Processing Department (SPD) at Ben Taub Hospital, this project is replacing an endoscope reprocessor past its expected useful life and no longer supported by the manufacturer.

Vendor: Advanced Sterilization Products (on Premier GPO contract # PP-OR-1820)

- Lowest cost vendor meeting all user requirements including capability to process multiple manufacturers' endoscopes.

Other Premier Vendors Considered:

- Medivators – Not recommended by Ben Taub Hospital SPD evaluation team. Higher price.
- Olympus – Do not have capability to process other manufacturers' endoscopes, a mandatory requirement for the evaluation team.

Project Cost Summary:

Vendor	**Advanced Sterilization Products (ASP)**	**Medivator**
Description	Evotech D1	Advantage Plus SS
Endoscope Reprocessor Unit Price (Ea)	$61,415.75	$58,708.14
Endoscope Reprocessor Quantity	2	2
Total Trade-in Discount (for 2 existing ASP Evotech 50014 endoscope reprocessors with serial # 5041090167, and 5041090168)	($32,831.50)	$0.00
Total Equipment Cost	**$90,000.00**	**$117,416.28**

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

April 8, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 16/0301, Board Motion 21.04.47

Members of the Board:

Please approve additional funds and an extension for the following:

Description: Painting, Wall Patching, Maintenance and Repair Services for the Harris County Hospital District dba Harris Health System

Vendor: FRAGMA Construction Services, LLC

Amount: $ 85,000 additional funds for the extended term 5/15/22 – 9/14/22 or until a new Agreement is in place
500,000 previously approved funds for the term 5/15/21 – 5/14/22
$585,000

Reviewed by: X Facilities Planning/Engineering X Harris County Purchasing

Justification: Additional funds are required to cover services due to the extended term. The term is being extended to provide for services until this project is competitively bid and a new Agreement has been executed.

The vendor has agreed to extend under the same terms and conditions as set forth in the Agreement, with no increase in pricing.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

MNG
cc: Esmaeil Porsa, M.D., President & CEO
Dave Attard, Healthcare Systems Engineering
Vendor

A56

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

March 7, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Public Health or Safety Exemption, Board Motion 21.08-77

Members of the Board:

Please ratify an assignment of the following Agreement:

Description: Dental Services for Harris County Hospital District dba Harris Health System

Vendor: Crown Dental (assignor) [HCHD-255]

Brident DDS, P.C. (assignee) [HCHD-619]

Term: September 28, 2021 through September 27, 2022

Effective: Upon Signature

Reviewed by: __X__ Transition & Post-Acute Care __X__ Harris County Purchasing

Justification: Crown Dental was acquired by Brident DDS, P.C. and has conveyed all rights, title and interest with no change in pricing.

The County Attorney's Office prepared an Assignment Agreement. Assignment is effective upon execution of the Agreement.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
JLD

cc: Esmaeil Porsa, M.D., President & CEO
Amy Smith, SVP Trans & Post-Acute Care
Vendors

A57

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 16, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Public Health and Safety Exemption, Board Motion 21.09-86

Members of the Board:

Please ratify an exemption from the competitive bid requirements for the following:

Description: Temporary Nursing Personnel for Harris County Hospital District dba Harris Health System

Vendors: Concentric Healthcare Solutions, LLC dba Concentric Healthcare Staffing [HCHD-487]

Term: August 4, 2021 through August 3, 2022 with one (1) one-year renewal option

Reviewed by: __X__ Nursing Operations Admin __X__ Harris County Purchasing

Justification: To provide for temporary staffing of nursing personnel to meet the increase in demand of patient healthcare due to Covid-19 at various locations throughout the Harris Health System.

In September 2021, the Board of Trustees approved $10,000,000 estimated to be used for Temporary Nursing Personnel. All vendors for Temporary Nursing Personnel were contracted to be paid from those funds. No additional funds need to be approved.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

JLD
cc: Esmaeil Porsa, M.D., President & CEO
Maureen Padilla, SVP – Nursing Affairs & Support Services
Vendor

A58

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

March 22, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Public Health or Safety Exemption, Texas LGC 262.024(a)(2)

Members of the Board:

Please ratify exemption from the competitive bid requirements for the following:

Description: Vendor Management System for Temporary Medical Personnel for the Harris County Hospital District dba Harris Health System

Vendor: ShiftWise, Inc. [HCHD-680]

Term: Effective upon execution of the Agreement with four (4) one-year renewal options

Amount: $0

Reviewed by: _X_ Executive Administration _X_ Harris County Purchasing

Justification: To provide a platform through which Harris Health System submits available shifts to be filled by contracted staffing vendors. The platform manages vendors based on contracted positions and rates. ShiftWise will charge the temporary staffing vendors a 3% fee for use of the service. This fee is passed through to Harris Health System by the staffing vendors as part of the vendor's billable rate.

The County Attorney's Office is preparing an Agreement for these services. Services are subject to execution of the Agreement.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA
JLD
cc: Esmaeil Porsa, M.D., President & CEO
Monica Carbajal, VP Contract Administration
Vendor

A59

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

April 11, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Department of Information Resources

Members of the Board:

This is a transmittal of the fourth and final renewal for the following:

Description: Language Proficiency Testing for the Harris County Hospital District dba Harris Health System

Vendor: Language Line Services, Inc. (DIR TSO-4151) [GA-07503]

Term: May 11, 2022 through May 10, 2023

Amount: $100,000 estimated
$ 40,000 previous year

Reviewed by: __X__ Language Access Services __X__ Harris County Purchasing

Justification: To provide bilingual fluency testing for employees and associates.

The increased amount is due to the increase in volume for this service. The County's Attorney's office is preparing an Amendment to add the fourth renewal term to the Agreement. Renewal is subject to execution of the Amendment.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

TCT
cc: Esmaeil Porsa, M.D., President & CEO
Jennifer Small, EVP- ACS
Vendor

B1

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

March 22, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 18/0199

Members of the Board:

This is a transmittal of the third of four (4) renewal options for the following:

Description: Neurosurgical Critical Care Products for the Harris County Hospital District dba Harris Health System

Vendor: Medtronic USA, Inc. (GA-07496)

Term: April 3, 2022 through April 2, 2023

Amount: $99,384 estimated
$99,384 previous year

Reviewed by: __X__ Supply Chain Management __X__ Harris County Purchasing

Justification: To continue providing neurosurgical critical care products used for patients undergoing craniotomy and shunt placement surgery.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

SP
SER
cc: Esmaeil Porsa, M.D., President & CEO
Douglas Creamer, Supply Chain Management
Vendor

B2

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 16, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 18/0053

Members of the Board:

This is a transmittal of the following purchase on the basis of best contract:

Description: Surgical Drills

Vendor: KLS Martin LP (GA-07327)

Term: September 19, 2022 through September 18, 2023

Amount: $93,205

Reviewed by: __X__ Healthcare Systems Engineering __X__ Harris County Purchasing

Justification: To replace the high speed drills that are past their expected useful life at Lyndon B. Johnson Hospital Oral Surgery Clinic.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

SP
AM
Attachment
cc: Esmaeil Porsa, M.D., President & CEO
David Attard, Healthcare Systems Engineering
Vendor

B3

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

Board Summary

Board Date: April 28, 2022

Pavilion(s)/Department(s): LBJ Hospital / Oral Surgery Clinic

Item Description: Surgical Drills, High Speed

Estimated Cost: $93,205.80 (FY22 Routine Capital Budget)

Project Elaboration: This project is replacing high speed drills, at LBJ Oral Surgery Clinic, that are no longer supported by the manufacturer and are also past their expected useful life.

Vendor: KLS Martin (on RFP based contract # GA-07327)

- Vendor equipment evaluated as meeting all user requirements by the Oral Surgery Clinic team at LBJ Hospital.
- Vendor on existing contract GA-07327 with Harris Health System for Oral Surgery drills.

Project Cost Summary:

Item #	Item Description	Qty	Total Item Cost
1	Bien Air Chiropro L Premium - console	6	$53,265.60
2	Bien Air MXI LED – Motor, Bien Air Cable 10’	8	$23,562.00
3	Bien Air Straight Handpiece	12	$14,850.00
4	Bien Air Contra Angled Handpiece	2	$0
5	Accessories – 12 bur guard, 6 clips for irrigation line	1	$1,528.20
Total Equipment Cost			**$93,205.80**

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

March 10, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Department of Information Resources (DIR)

Members of the Board:

This is a transmittal of purchase for the following on the basis of low quote:

Description:	Infrastructure hardware and license for the Harris County Hospital District dba Harris Health System	
Quotes Received:	Mark III Systems, Inc. (DIR-TSO-3763)	$ 83,232
	Connection (PP-IT-238)	$ 94,787
	Sequel Data Systems, Inc. (DIR-TSO-3763)	$100,843
Vendor:	Mark III Systems, Inc.	
Amount:	$83,232 estimated	
Reviewed by:	__X__ Information Technology	__X__ Harris County Purchasing
Justification:	To provide new servers with software and hardware maintenance for the Harris Health System.	

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

BPJ BA
cc: Esmaeil Porsa, M.D., President & CEO
David Chou, SVP & CIO
Vendors

B4

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 17, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Sole Source Exemption, Board Motion 21.06-65

Members of the Board:

This is a transmittal of the second of four (4) renewal options for the following on the basis of sole source:

Description: Software and Hardware Maintenance for the Sun Nuclear Dosimetry System for the Harris County Hospital District dba Harris Health System

Vendor: Sun Nuclear Corporation (HCHD-220)

Term: June 1, 2022 through May 31, 2023

Amount: $ 81,060 estimated
$130,610 previous year

Reviewed by: __X__ Healthcare Systems Engineering __X__ Harris County Purchasing

Justification: To provide software and hardware maintenance services for the Sun Nuclear Dosimetry System.

The estimated funding decrease is due to prior term funding included a one-time software upgrade. The vendor has agreed to renew under the same terms and conditions as set forth in the Agreement, with no increase in pricing. The Office of the Harris County Purchasing Agent has confirmed the sole source exemption based on Sun Nuclear as the only service provider for the Sun Nuclear Dosimetry System.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

sm
SCF
Attachment
cc: Esmaeil Porsa, M.D., President & CEO
David Attard, Healthcare Systems Engineering
Vendor

B5

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

Board Summary

Board Date: April 28, 2022

Vendor: Sun Nuclear Corporation

Description of Service: Software and Hardware Maintenance for the Sun Nuclear Dosimetry System

Pavilion(s) Utilizing Contract: Harris County Hospital District dba Harris Health System

Contract Elaboration: This is full service Software and Hardware maintenance support contract under which Sun Nuclear Corporation provides Harris Health for our Dosimetry System Equipment.

Service Cost Breakout

- Previous year contract amount: $130,610
- Philips Healthcare new contract pricing: $81,060

Recommend renewal

B5

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

March 15, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Choice Partners National Purchasing Cooperative

Members of the Board:

This is a transmittal of the following purchase on the basis of best contract:

Description: Simulator, Software and Support Services for the Harris County Hospital District dba Harris Health System

Vendor: Gaumard Scientific Co., Inc. (20/051SG-04)

Amount: $77,490

Reviewed by: __X__ Executive Nursing __X__ Harris County Purchasing

Justification: To provide Harris Health System with the HAL® adult advanced multipurpose simulator to be used in the Simulation Program for nursing education.

Harris Health currently has Gaumard simulator equipment in place and Gaumard is the only supplier that can provide equipment compatible with Harris Health's existing equipment. Therefore, other vendors were not reviewed.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

SP
SEP

cc: Esmaeil Porsa, M.D., President & CEO
Maureen Padilla, SVP Nursing Affairs & Support Services
Vendor

B6

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 17, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Department of Information Resources (DIR) and The Interlocal Purchasing System (TIPS)

Members of the Board:

This is a transmittal of purchase for the following on the basis of only quote:

Description: Audio Visual Equipment for New Hire Auditorium for the Harris County Hospital District dba Harris Health System

Vendor: Netsync Network Solutions, Inc. (DIR-TSO-4167, DIR-TSO-4430, TIPS: 200105)

Amount: $71,027 estimated

Reviewed by: __X__ Information Technology __X__ Harris County Purchasing

Justification: To outfit the New Hire Auditorium Room with audiovisual equipment and technology to conduct in-person training for new hires at 4900 Fournace.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

cc: Esmaeil Porsa, M.D., President & CEO
David Chou, SVP & CIO
Vendor

B7

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 30, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Department of Information Resources (DIR)

Members of the Board:

This is a transmittal for purchase of the following on the basis of only quote:

Description: Data Circuit Services for the Harris County Hospital District (dba Harris Health System)

Vendor: AT&T Corporation (DIR-TELE-CTSA-002)

Amount: $64,800 estimated (three-year term)

Reviewed by: __X__ Information Technology __X__ Harris County Purchasing

Justification: To provide technical support services, and network circuit between Lyndon B. Johnson Hospital and Quentin Mease.

The County Attorney's Office is reviewing a Pricing Schedule for these services. The Pricing Schedule will be in accordance with the Master Agreement in effect between Harris Health System and AT&T Corporation. This purchase is subject to execution of the Pricing Schedule.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

KC
cc: Esmaeil Porsa, M.D., President & CEO
David Chou, SVP & CIO
Vendor

B8

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 1, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Premier Healthcare Alliance, L.P. Contract

Members of the Board:

This is a transmittal of the following purchase on the basis of best contract:

Description: Gastrointestinal Endoscopy

Contract Reviewed: Erbe USA, Inc (PP-OR-1995)

Vendor: Erbe USA, Inc

Amount: $63,483

Reviewed by: __X__ Healthcare Systems Engineering __X__ Harris County Purchasing

Justification: To provide Harris Health System with a new cryosurgical system replacing the current one that is past its expected useful life and experiencing maintenance issues.

Amount includes trade-in credit of $3,000 for two (2) each of existing Erbe Models VIO300D and APC2. Erbe was only vendor able to meet all user requirements. Therefore, the other Premier vendors were not evaluated.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

SP
AM
Attachment
cc: Esmaeil Porsa, M.D., President & CEO
David Attard, Healthcare Systems Engineering
Vendor

B9

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

Board Summary

Board Date: April 28, 2022

Pavilion(s)/Department(s): Ben Taub Hospital / Pulmonary Diagnostic Services

Item Description: Cryosurgical System, General Purpose

Estimated Cost: $63,483.05 (FY22 Routine Capital Budget)

Project Elaboration: This project is replacing a cryosurgical system that is past its expected useful life and experiencing maintenance issues with a new system.

Vendor: Erbe (on Premier GPO contract # PP-OR-1995)

- Vendor equipment evaluated as best meeting all user requirements by Pulmonary Diagnostic Services team.
    - Including the need for a single cart configured with cryosurgical, electrosurgical and argon plasma coagulation (APC) capabilities, as is the case with their existing system.

Other Premier Vendors Considered:

- Leica – Not meeting user requirement for a single cart configured with cryosurgical, electrosurgical and argon plasma coagulation capabilities.
- Cooper Surgical – Not meeting user requirement for a single cart configured with cryosurgical, electrosurgical and argon plasma coagulation capabilities.

Project Cost Summary:

Item #	Item Description	Qty	Total Item Cost
1	ERBECryo 2 System, Accessories, Install	1	$22,687.85
2	Erbe VIO 3 Electrosurgical Unit, Accessories, Install	1	$25,901.25
3	Erbe Argon Plasma Coagulation Unit APC 3, Accessories, Install	1	$17,893.95
4	Trade-in Discount for 2 existing Erbe equipment - VIO300D (an ESU) with serial # 11309811, and APC2 (an APC unit) with serial # 11308068	1	($3,000.00)
Total Equipment Cost			**$63,483.05**

B9

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

March 17, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Sole Source Exemption - Local Government Code § 262.024 (a)(7)(A)

Members of the Board:

This is a transmittal of the following renewal on the basis of sole source:

Description:	Risk Management Software Support for the Harris County Hospital District dba Harris Health System
Vendor:	RLDatix North America, Inc. (CID GA-04684)
Term:	April 1, 2022 through March 31, 2023
Amount:	$63,055 estimated $60,052 previous year
Reviewed by:	__X__ Information Technology __X__ Harris County Purchasing
Justification:	To provide support for the risk management software that tracks and reports incidents occurrence throughout the Harris Health System.

The vendor has agreed to renew under the same terms and conditions as set forth in the Agreement, with a 5% increase in pricing. The Office of the Harris County Purchasing Agent has confirmed the sole source exemption based on RLDatix North America, Inc. as the sole provider of the RL6 suite software maintenance.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

cc: Esmaeil Porsa, M.D., President & CEO
David Chou, SVP & CIO
Vendor

B10

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

March 10, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Premier Healthcare Alliance, L.P. Contract

Members of the Board:

This is a transmittal of third year funding for the following GPO contract:

Description: Adult & Pediatric Exam Table Paper and Related Products

Vendor: Tidi Products, LLC (AS-NS-1358)

Term: July 1, 2022 through June 30, 2023

Amount: $61,647 estimated
$59,851 previous year

Reviewed by: __X__ Supply Chain Management __X__ Harris County Purchasing

Justification: To continue providing Harris Health System with exam table paper, drape sheets, exam gowns and other paper products.

Amount increased due to estimated additional products required.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

SP
AM
cc: Esmaeil Porsa, M.D., President & CEO
Douglas Creamer, Supply Chain Management
Vendor

B11

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 22, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Public Health or Safety Exemption - Local Government Code § 262.024 (a)(2)

Members of the Board:

This is a transmittal of the second and final renewal option for the following:

Description: Magnetic Detection System Disposables for the Harris County Hospital District dba Harris Health System

Vendor: Devicor Medical Products, Inc. aka Mammotome (HCHD-383)

Term: May 3, 2022 through May 2, 2023

Amount: $61,466 estimated
$61,466 previous year

Reviewed by: __X__ Supply Chain Management __X__ Harris County Purchasing

Justification: To continue providing Harris Health System with Magseeds utilized in Electromagnetic Tissue Characterization Systems at Ben Taub and Lyndon B. Johnson Hospitals.

The vendor has agreed to renew under the same terms and conditions as set forth in the Agreement, with no increase in pricing.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

SP
SER
cc: Esmaeil Porsa, M.D., President & CEO
Douglas Creamer, Supply Chain Management
Vendor

B12

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 22, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: Job No. 17/0276

Members of the Board:

This is a transmittal of the fourth and final renewal option for the following:

Description: Neurosurgical Critical Care Products for the Harris County Hospital District dba Harris Health System

Vendor: Aesculap, Inc. (GA-07196)

Term: April 12, 2022 through April 11, 2023

Amount: $55,564 estimated
$55,564 previous year

Reviewed by: __X__ Supply Chain Management __X__ Harris County Purchasing

Justification: To continue providing neurosurgical critical care products used for patients undergoing craniotomy and shunt placement surgery.

The vendor has agreed to renew under the same terms and conditions as set forth in the Agreement.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

SP
SER
cc: Esmaeil Porsa, M.D., President & CEO
Douglas Creamer, Supply Chain Management
Vendor

B13

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 17, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: The Interlocal Purchasing System (TIPS)

Members of the Board:

This is a transmittal of the first of four (4)-renewal options for the following:

Description: Financial Accounting Close Management Software for the Harris County Hospital District dba Harris Health System

Vendor: Vertosoft, LLC. (TIPS: 200105) (CID HCHD – 467)

Term: June 18, 2022 through June 17, 2023

Amount: $55,484 estimated
$74,384 previous year

Reviewed by: __X__ Financial Services __X__ Harris County Purchasing

Justification: To provide for FloQast cloud-based financial accounting close management software required to automate the reconciliation and close process, including workflows to provide efficiencies and additional internal controls for review and approvals.

The vendor has agreed to renew under the same terms and conditions as set forth in the agreement. The decreased amount is due to the previous year's cost including one-time setup fees that have been completed and do not apply to this renewal.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

cc: Esmaeil Porsa, M.D., President & CEO
Victoria Nikitin, SVP Finance
Vendor

B14

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

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

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

March 18, 2022

Board of Trustees
Harris Health System
Harris County, Texas

RE: OMNIA Partners Public Sector Cooperative Purchasing Program

Members of the Board:

This is a transmittal of additional funding for the following:

Description: Web-Based Easy Project Enterprise Cloud

Vendor: Logic Software, Inc. (dba Easy Projects) (HCHD-598) through SHI Government Solutions
OMNIA Contract Number 2018011-02

Amount: $38,026 Additional funds for the term 01/24/2022 – 01/23/2023
43,091 Previously approved funds for the term 01/24/2022 – 01/23/2023
$81,117

Reviewed by: X Information Technology X Harris County Purchasing

Justification: To support and provide manage project intake, portfolio, and project management requirements of the different Project Management groups within Harris Health System.

Additional funds are needed to incorporate new licensing to support project expenditure for Harris Health System. The County Attorney's Office is preparing a First Amendment to the Agreement for this purchase. This purchase is subject to the execution of the Agreement.

Sincerely,

p.p. John J. Adger

DeWight Dopslauf
Purchasing Agent

KC
cc: Esmaeil Porsa, M. D. , President & CEO
David Chou, SVP & CIO
Vendor

B15

FOR INCLUSION ON BOARD OF TRUSTEES AGENDA APRIL 28, 2022

Thursday, April 28, 2022

Consideration of Approval of Grant Agreement (Item B1 through B3)

See Attached Grant Agreement Summary: April 28, 2022

Grant Agenda Items for the Harris County Hospital District dba Harris Health System, Board of Trustees Report
Grant Agreement Summary: April 28, 2022

No.	Grantor	Description/Justification	Action, Basis of Recommendation	Term	Project Owner	Award Amount
B1	University of Texas MD Anderson Cancer Center	Consideration of Approval of a Grant Agreement Between Harris County Hospital District d/b/a Harris Health System and the University of Texas MD Anderson Cancer Center to Fund a Clinical Pharmacist Specializing in Oncology Pharmacy (1.0 FTE)	**Grant Agreement**	January 1, 2022 through December 31, 2022	Dr. Michael Nnadi	Shall Not Exceed $300,000.00
B2	Texas A&M University Health Science Center	Consideration of Approval of a Grant Agreement Between Harris County Hospital District d/b/a Harris Health System and the University of Texas MD Anderson Cancer Center to Fund the "Addressing COVID-19 Vaccine Hesitancy Among Minorities through Community Outreach in Harris County, Texas" Project (2.0 FTE Community Health Workers, 1.0 FTE Operations Coordinator, and project-related travel and supply costs)	**Grant Agreement**	April 15, 2022 through April 14, 2023	Dr. Jackie Brock	$250,042.00

No.	Grantor	Description/Justification	Action, Basis of Recommendation	Term	Project Owner	Award Amount
B3	The University of Texas Health School of Public Health	Consideration of Approval of an Amendment to a Grant Agreement Between Harris County Hospital District d/b/a Harris Health System and The University of Texas Health School of Public Health to Fund Health Equity Work and Analytical Infrastructure at Harris Health to Monitor and Address Disparities in Patient Health Outcomes and Service Delivery Measures, in Alignment with Harris Health's Balanced Scorecards and CMS's New Health Equity Requirements	**Amendment of Grant Agreement**	February 17, 2020 through February 16, 2025	Dr. Ann Barnes	$260,000.00
						$810,042.00

Thursday, April 28, 2022

Consideration of Approval of a Grant Agreement Between the Harris County Hospital District d/b/a Harris Health System and the University of Texas MD Anderson Cancer Center to Fund a Clinical Pharmacist Specializing in Oncology Pharmacy

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Harris Health System is a recipient of a new grant from the University of Texas MD Anderson Cancer Center to fund a clinical pharmacist specializing in oncology pharmacy.

- This agreement provides funding not to exceed $300,000.00
- The grant agreement will fund 1.0 FTE Clinical Pharmacist.
- The term of this agreement is January 1, 2022 through December 31, 2022.

Administration Recommends Approval of this Grant Agreement Between Harris County Hospital District d/b/a Harris Health System and the University of Texas MD Anderson Cancer Center.

Thank you.

Thursday, April 28, 2022

Consideration of Approval of a Grant Agreement Between the Harris County Hospital District d/b/a Harris Health System and the Texas A&M University Health Science Center to Fund the "Addressing COVID-19 Vaccine Hesitancy Among Minorities Through Community Outreach in Harris County, Texas" Project

Harris Health System is a recipient of a new grant from the Texas A&M University Health Science Center to fund the "Addressing COVID-19 Vaccine Hesitancy Among Minorities Through Community Outreach in Harris County, Texas" project.

- This agreement provides funding in the amount of $250,042.00
- The grant agreement will fund 2.0 FTE Community Health Workers, 1.0 FTE Operations Coordinator, and project-related travel and supply costs.
- The term of this agreement is April 15, 2022 through April 14, 2023.

Administration Recommends Approval of this Grant Agreement Between Harris County Hospital District d/b/a Harris Health System and the Texas A&M University Health Science Center.

Thank you.

Thursday, April 28, 2022

Consideration of Approval of an Amendment to a Grant Agreement Between Harris County Hospital District d/b/a Harris Health System and The University of Texas Health School of Public Health to Fund Health Equity Work and Analytical Infrastructure at Harris Health to Monitor and Address Disparities in Patient Health Outcomes and Service Delivery Measures, in Alignment with Harris Health's Balanced Scorecards and CMS's New Health Equity Requirements

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Amendment to the UTHealth School of Public Health (UTSPH) Collaboration Agreement with Harris Health System GA-07767-01 to allocate up to $260,000 to establish health equity analytical infrastructure at Harris Health to monitor and address disparities in patient health outcomes and service delivery measures, in alignment with Harris Health's balanced scorecards and CMS's new health equity requirements. This is an interlocal agreement for work co-funded by UTSPH. Thank you.

Health Equity Infrastructure
Board of Trustees
April 2022

Background

Health equity is a strategic priority for Harris Health and is embedded in each of our strategic pillars. This executive summary describes (1) our framework for understanding and addressing health equity; (2) priority actions and initial focus areas for our system; and (3) expansion of our data analytics, social determinants, and health services partnership with the UT School of Public Health to resource this work.

Defining Health Equity

Harris Health, consistent with the Greater Houston Health Equity Collective for which we were a founding member, understands health equity to mean that everyone has a fair and just opportunity to be as healthy as possible.[1]

The Role of Healthcare Organizations in Promoting Health Equity

As a healthcare system, we are committed to promoting health equity and reducing disparities in health outcomes. Our goal is to provide care that does not vary in quality because of personal characteristics such as gender, ethnicity, geographic location, or socioeconomic status. We recognize that many factors influence health disparities. Social, economic, and environmental factors influence health as do healthcare system-related factors. Harris Health will directly address the factors within our system while we will partner with other agencies to address the upstream drivers of health that occur outside the walls of our hospitals and clinics.

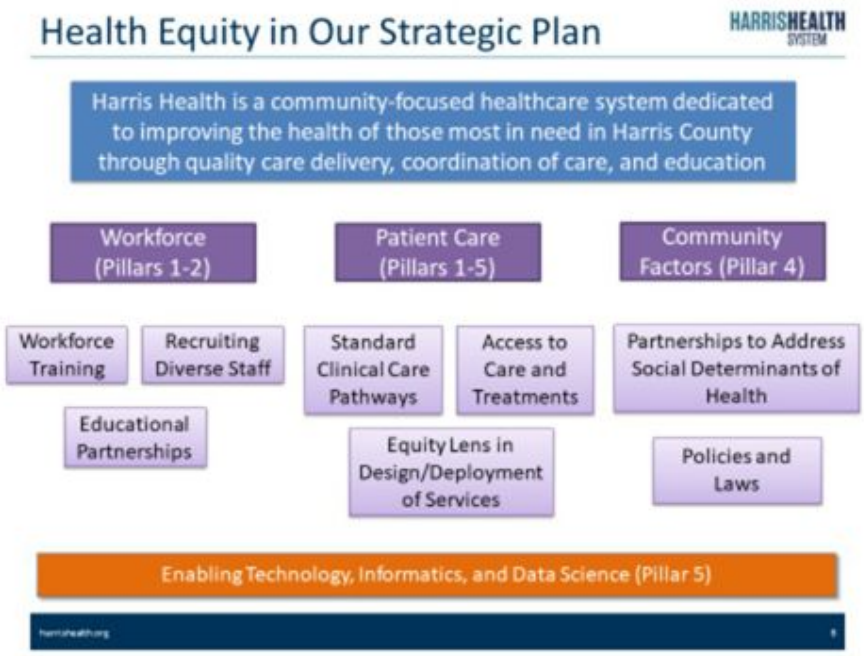
Harris Health's Health Equity Strategic Plan

The mission of Harris Health is, at its core, synonymous with health equity: to provide fair and just access to quality care for those most in need in Harris County. We are now taking formal action as a system to prioritize health equity in our Strategic Plan, leveraging the Institute for Healthcare Improvement's (IHI) Health Equity Framework for Healthcare Organizations,[2] and in alignment with

[1] "A New Definition Of Health Equity To Guide Future Efforts And Measure Progress", Health Affairs Blog, June 22, 2017.
[2] IHI's Health Equity Framework for Health Care Organizations recommends:
1. Make health equity a strategic priority
2. Develop structure and processes to support health equity work
3. Deploy specific strategies to address the multiple determinants of health on which health care organizations can have a direct impact
4. Decrease institutional racism within the organization
5. Develop partnerships with community organizations to improve health and equity

work by the Centers for Medicare & Medicaid Services (CMS) to prioritize "Hospital Commitment to Health Equity" as part of its equity agenda.[3]

Making Health Equity a Strategic Priority



The above chart visualizes three domains (dark purple) that are embedded in Harris Health's Strategic Plan, and that are priority levers for impacting health equity. Success in these three areas – as well as in resourcing the data architecture, data collection, and data analytics (orange) that are foundational to understanding gaps in health equity at Harris Health– will propel this work forward.

Developing Structures to Support Health Equity Work & Identifying Priority Actions

Since Fall 2021, we have convened a monthly Health Equity Executive Steering Committee to drive our work forward, chaired by Dr. Porsa. Through this committee, leaders from Data Science, Quality, and Population Health meet biweekly to advance our priority actions:

1. Improve data collection. Foundational to our health equity efforts is ensuring we are identifying and addressing gaps in our patient demographic and social determinants of

[3] CMS is developing a measure that assesses hospital commitment to health equity across a suite of equity-focused organizational competencies encompassing five domains:
1. Equity is a strategic priority
2. Data collection
3. Data analysis
4. Quality improvement
5. Leadership engagement

health data. Accurate, actionable information on key demographics, such as race, ethnicity, gender, age, and primary language (commonly abbreviated as "REGAL") are essential to understanding where the health equity opportunities are in our system.

2. Assess current disparities. It is equally important that we resource needed work in stratifying our clinical service delivery and outcome metrics by REGAL elements (at a minimum), to look more comprehensively at whether our patients are experiencing differences in service delivery, access, or outcomes that correlate with their race, gender, or other personal characteristics.

3. Analyze impacts and identify root causes. With better stratified data, under the direction of clinical and quality leadership, we can accelerate detecting significant patterns in disparities and identifying root causes and drivers. This work may uncover previously unknown disparities in service delivery or access measures; it may also continue to underscore the significant role of community level factors and SDOH in driving health disparities.

4. Design and implement responsive interventions. A key component in this health equity "Plan-Do-Study-Act" cycle is leveraging evidence-based learnings to develop and deploy action plans to address specific drivers and root causes of major disparities.

5. Measure and monitor performance. This action item recognizes that an essential dimension of our work is evaluating the impact of our efforts to reduce disparities over time, and ultimately hardwiring strategies that are effective across the system. To this end, one of the priority deliverables for Year 1 is sufficient stratification and detection of patterns of disparities in our patient data to be able to recommend a set of "leading indicator" equity measures to incorporate into an organizational Health Equity Dashboard that is aligned with our Balanced Scorecard.

6. Train workforce. As referenced earlier in this memo, a key dimension of our health equity strategic plan is ensuring that our workforce is trained in health equity principles, tools, and effective approaches to address unconscious bias, provide culturally-sensitive care, and detect and address disparities in care delivery and outcomes.

Under the direction of Harris Health's quality and informatics leadership, the proposed amendment to the UTHealth School of Public Health Collaboration Agreement will establish and accelerate the health equity analytical infrastructure needed to identify, monitor, and address disparities in patient health outcomes and service delivery measures in the patient populations we serve.

Thursday, April 28, 2022

Consideration of Approval of a Resolution Setting the Rate of Mandatory Payment for the Harris County Hospital District Local Provider Participation Fund.

Pursuant to Harris County Hospital District's Participation in a Local Provider Participation Fund, a mandatory payment may be required by the District from an institutional health care provider to fund certain intergovernmental transfers for supplemental Medicaid payment programs or Medicaid managed care rate enhancements.

Management recommends the approval of the attached Resolution Authorizing Harris County Hospital District to set the amount of the mandatory payment to be invoiced during the time frame of May through June 30, 2022 as up to 2.94 percent of the net patient revenue of an institutional health care provider located in the district. This would grant Harris Health the flexibility to invoice any portion of this amount in installments at any point through the end of June 2022 (i.e. the authority to send invoices expires on July 1, 2022).

Resolution Setting Rate of Mandatory Payment

WHEREAS, pursuant to Chapter 299 of the Texas Health and Safety Code, the Board of Trustees (the "Board") of Harris County Hospital District (the "District") on June 27, 2019 authorized the District to participate in a Local Provider Participation Fund;

WHEREAS, the purpose of participation in a Harris County health care provider participation program is to generate revenue from a mandatory payment that may be required by the District from an institutional health care provider to fund certain intergovernmental transfers for a supplemental Medicaid payment program or Medicaid managed care rate enhancements;

WHEREAS, pursuant to Section 299 of the Texas Health and Safety Code, the Board on June 27, 2019 authorized the District to collect a mandatory payment from each institutional health care provider located in Harris County; and

WHEREAS, pursuant to Section 299.151(c) of the Texas Health and Safety Code, the Board must set the amount of the mandatory payment.

Be it hereby resolved by the Board of Trustees of the Harris County Hospital District that:

1. The District sets the amount of the mandatory payment to be invoiced during the time frame of May through June 30, 2022 as up to 2.94 percent of the net patient revenue of an institutional health care provider located in the District.

2. The District may invoice any portion of the mandatory payment in installments, so long as the total rate invoiced during May through June 30, 2022 does not exceed 2.94 percent.

3. This Resolution shall be in full force and effect from and after the date of its adoption.

PASSED AND APPROVED this 28th day of April, 2022.

187737

Thursday, April 28, 2022

Consideration of Approval of Leases with the Harris County Sheriff's Office for the Correctional Health Services Program

Harris County (Lessor) and Harris Health System (Lessee) are parties to an agreement titled, "Interlocal Cooperation Agreement between Harris County and the Harris County Hospital District D/B/A Harris Health System for Correctional Health Care Services" (the "Correctional Health Care Agreement") in which Lessee provides health care services to detainees in Lessor's jail facilities.

The Correctional Health Care Agreement requires that Lessor lease to Lessee the space within each jail that will be used for the provision of healthcare services to detainees, and these Agreements set forth the terms and conditions for use of the health care jail space at the following locations:

- 701 N San Jacinto St.
- 700 N San Jacinto St.
- 1200 Baker St.
- 1307 Baker St. (Sublease)

Administration recommends Board of Trustees approve 3 leases and 1 sublease with the Harris County Sheriff's Office to facilitate the Correctional Health Care Services Program.

Thank you.

Fact Sheet

Purpose of Lease: Correctional Health Care Services

Lessor: Harris County Sheriff's Office

Lessee: Harris Health System

Location of Lease Space: 701 N San Jacinto St
Houston, Texas 77002

Lease Space: Approximately 200 net rentable square feet

Lease Terms	Monthly Base Rent	*Est. Monthly Operating Expenses	Est. Annual Payment	Est. Annual Lease Rate/SF
1 year with annual automatic renewals	The Parties understand and agree that Lessor shall not charge rent of any kind to Lessee for Lessee's use of the Leased Premises. The Parties further understand and agree that the provision of health care services by Lessee to Lessor's detainees, all as set forth in the Correctional Health Care Agreement and pursuant to Tex. Loc. Gov't Code §272.005, is sufficient consideration for Lessee's use of the Leased Premises.			

Termination Option: Either party may terminate this Agreement, without cause, prior to the expiration of the current term year, upon 90 days written notice. This lease will be coterminous with the Correctional Health Care Agreement.

Fact Sheet

Purpose of Lease: Correctional Health Care Services

Lessor: Harris County Sheriff's Office

Lessee: Harris Health System

Location of Lease Space: 700 N San Jacinto St.
Houston, Texas 77002

Lease Space: Approximately 200 net rentable square feet

Lease Terms	Monthly Base Rent	*Est. Monthly Operating Expenses	Est. Annual Payment	Est. Annual Lease Rate/SF
1 year with annual automatic renewals	The Parties understand and agree that Lessor shall not charge rent of any kind to Lessee for Lessee's use of the Leased Premises. The Parties further understand and agree that the provision of health care services by Lessee to Lessor's detainees, all as set forth in the Correctional Health Care Agreement and pursuant to Tex. Loc. Gov't Code §272.005, is sufficient consideration for Lessee's use of the Leased Premises.			

Termination Option: Either party may terminate this Agreement, without cause, prior to the expiration of the current term year, upon 90 days written notice. This lease will be coterminous with the Correctional Health Care Agreement.

Fact Sheet

Purpose of Lease: Correctional Health Care Services

Lessor: Harris County Sheriff's Office

Lessee: Harris Health System

Location of Lease Space: 1200 Baker St.
Houston, Texas 77002

Lease Space: Approximately 200 net rentable square feet

Lease Terms	Monthly Base Rent	*Est. Monthly Operating Expenses	Est. Annual Payment	Est. Annual Lease Rate/SF
1 year with annual automatic renewals	The Parties understand and agree that Lessor shall not charge rent of any kind to Lessee for Lessee's use of the Leased Premises. The Parties further understand and agree that the provision of health care services by Lessee to Lessor's detainees, all as set forth in the Correctional Health Care Agreement and pursuant to Tex. Loc. Gov't Code §272.005, is sufficient consideration for Lessee's use of the Leased Premises.			

Termination Option: Either party may terminate this Agreement, without cause, prior to the expiration of the current term year, upon 90 days written notice. This lease will be coterminous with the Correctional Health Care Agreement.

Fact Sheet

Purpose of Lease: Correctional Health Care Services

Sub lessor: Harris County Sheriff's Office

Sub lessee: Harris Health System

Location of Lease Space: 1307 Baker St.
Houston, Texas 77002

Lease Space: Sublet approximately 200 net rentable square feet

Lease Terms	Monthly Base Rent	*Est. Monthly Operating Expenses	Est. Annual Payment	Est. Annual Lease Rate/SF
Sublease - 1 year with annual automatic renewals	The Parties understand and agree that Lessor shall not charge rent of any kind to Lessee for Lessee's use of the Leased Premises. The Parties further understand and agree that the provision of health care services by Lessee to Lessor's detainees, all as set forth in the Correctional Health Care Agreement and pursuant to Tex. Loc. Gov't Code §272.005, is sufficient consideration for Lessee's use of the Leased Premises.			

Termination Option: Either party may terminate this Agreement, without cause, prior to the expiration of the current term year, upon 90 days written notice. This lease will be coterminous with the Correctional Health Care Agreement.

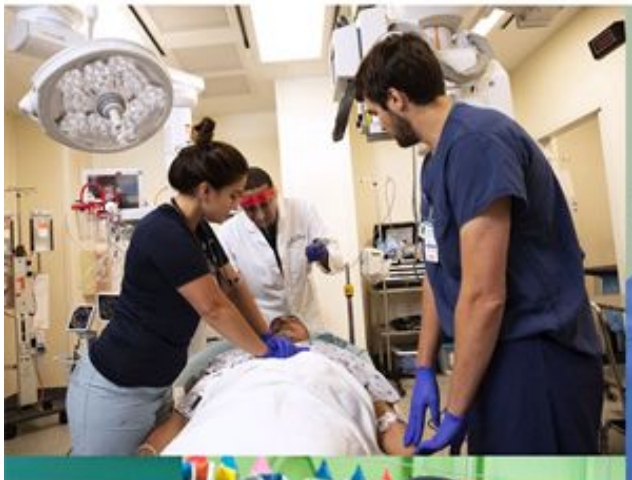
Thursday, April 28, 2022

Harris Health System February 2022 Financial Reports Subject to Audit

HARRISHEALTH SYSTEM

Financial Statements

As of the Year Ended February, 2022



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HARRISHEALTH SYSTEM

Financial Highlights Review

HARRISHEALTH SYSTEM

As of February 28, 2022

Operating Income for the quarter ended February 28, 2022 was $104.5 million compared to budgeted income of $3.2 million.

Overall quarterly net revenue of $613.5 million was $152.7 million or 33.2% greater than budget. Net patient revenue, including HRSA Relief Fund revenue, contributed $43.4 million to the positive variance. The final submission for the Provider Relieve Fund was completed and resulted in $18.0 million in additional COVID CARES Act income recognized. The Foundation contributed $45.9 million in capital grants and gifts. Ad valorem taxes contributed $27.5 million to the positive variance, of which $8.2 million was received on property tax year 2020. Income from Medicaid Supplemental programs was $10.9 million higher than expected due to the additional revenues from the projected final distribution of the Uncompensated Care program for federal fiscal year 2021.

Total quarterly operating expenses of $509.0 million were $51.4 million or 11.2% greater than budget. Staff costs were $30.1 million over budget as a result of market salary increases and bonuses for personnel, continued premium labor utilization, and increases in health insurance claims. Medical supplies and pharmaceuticals increased $10.8 million over budget as a result of the continued pandemic supply management and price increases.

Total patient days and average daily census decreased slightly the fourth quarter of FY 2022, with a 2.2% variance to budget. However, inpatient case mix index, a measure of patient acuity, was 6.6% higher for the quarter and 3.5% higher for the year. Emergency room visits in the fourth quarter stabilized at a lower level and were 3.8% lower than budget for the year. Total clinic visits including telehealth were 22.2% lower than budget and births were down 7.0% for the quarter. Adjusted patient days, a measure of overall patient volume, was 9.8% lower than anticipated for the year but posted an 18.5% recovery compared to the same period for prior year.

Total cash receipts for the quarter were $917.8 million. The System has $1,232.9 million in unrestricted cash, cash equivalents and investments, representing 226.4 days cash on hand. Harris Health System has $115.1 million in net accounts receivable, representing 51.9 days of outstanding patient accounts receivable at February 28, 2022. The February balance sheet reflects a combined net receivable position of $243.9 million under the various Medicaid Supplemental programs.

The quarterly expenses incurred by Harris Health for Foundation personnel and other costs were $150,000.

Income Statement

HARRISHEALTH SYSTEM

As of the Year Ended February 28, 2022 (In $ Millions)

	QUARTERLY RESULTS			YEAR-TO-DATE			
	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	PRIOR YEAR	PERCENT VARIANCE
REVENUE								
Net Patient Revenue	$ 189.3	$ 145.9	29.8%	$ 809.6	$ 584.1	38.6%	$ 695.2	16.4%
Medicaid Supplemental Programs	118.4	107.5	10.2%	561.1	459.2	22.2%	563.9	-0.5%
Other Operating Revenue	13.4	8.8	52.6%	42.6	36.0	18.2%	34.2	24.5%
Total Operating Revenue	**$ 321.1**	**$ 262.2**	**22.5%**	**$ 1,413.2**	**$ 1,079.3**	**30.9%**	**$ 1,293.3**	**9.3%**
Net Ad Valorem Taxes	224.0	196.5	14.0%	814.8	786.0	3.7%	780.7	4.4%
Net Tobacco Settlement Revenue	-	-	-	13.3	12.9	2.9%	12.9	2.7%
Capital Gifts & Grants	45.9	-	-	45.9	-	-	-	-
Interest Income & Other	22.5	2.1	983.8%	40.7	8.1	404.3%	28.1	45.0%
Total Nonoperating Revenue	**$ 292.4**	**$ 198.6**	**47.2%**	**$ 914.7**	**$ 807.0**	**13.4%**	**$ 821.7**	**11.3%**
Total Net Revenue	**$ 613.5**	**$ 460.8**	**33.2%**	**$ 2,328.0**	**$ 1,886.3**	**23.4%**	**$ 2,115.0**	**10.1%**
EXPENSE								
Salaries and Wages	$ 202.4	$ 170.7	-18.6%	$ 792.7	$ 685.4	-15.6%	$ 655.3	-21.0%
Employee Benefits	57.2	58.8	2.6%	259.4	236.2	-9.8%	239.0	-8.5%
Total Labor Cost	**$ 259.6**	**$ 229.5**	**-13.1%**	**$ 1,052.1**	**$ 921.6**	**-14.2%**	**$ 894.3**	**-17.6%**
Supply Expenses	69.2	58.4	-18.5%	271.5	235.8	-15.1%	233.0	-16.5%
Physician Services	94.1	88.5	-6.4%	370.1	353.9	-4.6%	341.2	-8.5%
Purchased Services	67.4	62.6	-7.6%	280.6	263.5	-6.5%	252.6	-11.1%
Depreciation & Interest	18.6	18.6	-0.1%	71.9	73.7	2.5%	70.7	-1.7%
Total Operating Expense	**$ 509.0**	**$ 457.6**	**-11.2%**	**$ 2,046.2**	**$ 1,848.6**	**-10.7%**	**$ 1,791.8**	**-14.2%**
Operating Income (Loss)	**$ 104.5**	**$ 3.2**		**$ 281.8**	**$ 37.7**		**$ 323.2**	
Total Margin %	**17.0%**	**0.7%**		**12.1%**	**2.0%**		**15.3%**	

Balance Sheet

HARRISHEALTH SYSTEM

February 28, 2022 and 2021 (In $ Millions)

	CURRENT YEAR	PRIOR YEAR
CURRENT ASSETS		
Cash, Cash Equivalents and Short Term Investments	$ 1,232.9	$ 1,090.6
Net Patient Accounts Receivable	115.1	114.3
Net Ad Valorem Taxes, Current Portion	24.8	33.4
Other Current Assets	335.5	282.5
Total Current Assets	**$ 1,708.4**	**$ 1,520.9**
CAPITAL ASSETS		
Plant, Property, & Equipment, Net of Accumulated Depreciation	$ 437.9	$ 447.5
Construction in Progress	122.4	79.0
Total Capital Assets	**$ 560.3**	**$ 526.5**
ASSETS LIMITED AS TO USE & RESTRICTED ASSETS		
Debt Service & Capital Asset Funds	$ 46.0	$ 53.2
LPPF Restricted Cash	6.1	54.3
Capital Gift Proceeds	45.0	-
Other - Restricted	1.1	0.9
Total Assets Limited As to Use & Restricted Assets	**$ 98.2**	**$ 108.4**
Other Assets	24.2	31.0
Deferred Outflows of Resources	152.7	179.3
Total Assets & Deferred Outflows of Resources	**$ 2,543.7**	**$ 2,366.0**
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 163.2	$ 232.3
Employee Compensation & Related Liabilities	124.9	118.6
Estimated Third-Party Payor Settlements	13.6	8.6
Current Portion Long-Term Debt and Capital Leases	12.9	12.0
Total Current Liabilities	**$ 314.5**	**$ 371.4**
Long-Term Debt	295.1	308.3
Net Pension & Post Employment Benefits Liability	600.7	734.3
Other Long-Term Liabilities	18.2	24.7
Deferred Inflows of Resources	218.7	112.4
Total Liabilities	**$ 1,447.2**	**$ 1,551.2**
Total Net Assets	**$ 1,096.5**	**$ 814.8**
Total Liabilities & Net Assets	**$ 2,543.7**	**$ 2,366.0**

Cash Flow Summary

HARRISHEALTH SYSTEM

As of the Year Ended February 28, 2022 (In $ Millions)

	QUARTERLY RESULTS		YEAR-TO-DATE	
	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR
CASH RECEIPTS				
Collections on Patient Accounts	$ 168.4	$ 154.2	$ 774.0	$ 634.8
Medicaid Supplemental Programs	(90.4)	(1.3)	489.7	391.7
Net Ad Valorem Taxes	772.0	757.5	829.8	784.6
Tobacco Settlement	-	-	13.3	12.9
Other Revenue	67.8	46.6	87.0	155.9
Total Cash Receipts	**$ 917.8**	**$ 957.0**	**$ 2,193.8**	**$ 1,979.9**
CASH DISBURSEMENTS				
Salaries. Wages and Benefits	$ 229.6	$ 243.0	$ 944.5	$ 950.9
Supplies	72.1	67.2	280.8	250.2
Physician Services	93.5	84.7	372.4	334.8
Purchased Services	51.4	56.4	212.9	212.3
Capital Expenditures	20.1	20.3	83.6	89.4
Debt and Interest Payments	17.6	16.9	24.7	24.5
Other Uses	32.3	3.9	132.4	(67.1)
Total Cash Disbursements	**$ 516.7**	**$ 492.3**	**$ 2,051.4**	**$ 1,794.9**
Net Change	**$ 401.1**	**$ 464.7**	**$ 142.3**	**$ 185.0**

Unrestricted Cash, Cash Equivalents and Investments - February 28, 2021	$ 1,090.6
Net Change	142.3
Unrestricted Cash, Cash Equivalents and Investments - As of the Year Ended February 28, 2022	**$ 1,232.9**

Performance Ratios

HARRISHEALTH SYSTEM

As of the Year Ended February 28, 2022

	QUARTERLY RESULTS		YEAR-TO-DATE		
	CURRENT YEAR	CURRENT BUDGET	CURRENT YEAR	CURRENT BUDGET	PRIOR YEAR
OPERATING HEALTH INDICATORS					
Operating Margin %	17.0%	0.7%	12.1%	2.0%	15.3%
Run Rate per Day (In $ Millions)	$ 5.5	$ 4.9	$ 5.4	$ 4.9	$ 4.7
Salary, Wages & Benefit per APD	$ 2,463	$ 1,919	$ 2,368	$ 1,870	$ 2,386
Supply Cost per APD	$ 657	$ 488	$ 611	$ 479	$ 622
Physician Services Cost per APD	$ 893	$ 740	$ 833	$ 718	$ 910
Total Expense per APD	**$ 4,830**	**$ 3,826**	**$ 4,605**	**$ 3,751**	**$ 4,780**
Overtime as a % of Total Salaries	3.2%	2.6%	3.4%	2.6%	3.0%
Contract as a % of Total Salaries	8.3%	0.4%	5.4%	0.4%	1.7%
Full-time Equivalent Employees	9,232	9,205	9,169	9,171	8,726
FINANCIAL HEALTH INDICATORS					
Quick Ratio			5.3		4.0
Unrestricted Cash (In $ Millions)			$ 1,232.9	$ 1,000.3	$ 1,090.6
Days Cash on Hand			226.4	204.5	229.5
Days Revenue in Accounts Receivable			51.9	65.4	60.0
Days in Accounts Payable			46.9		46.2
Capital Expenditures/Depreciation & Amortization			136.7%		149.6%
Average Age of Plant (years)			13.0		12.4

Harris Health System Key Indicators

Statistical Highlights

HARRISHEALTH SYSTEM

As of the Year Ended February 28, 2022

	QUARTERLY RESULTS			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
Adjusted Patient Days	105,384	119,595	-11.9%	444,347	492,822	-9.8%	374,819	18.5%
Outpatient % of Adjusted Volume	61.0%	64.4%	-5.2%	62.3%	64.6%	-3.5%	60.6%	2.8%
Primary Care Clinic Visits	109,264	138,814	-21.3%	431,813	574,482	-24.8%	221,612	94.9%
Specialty Clinic Visits	54,055	61,140	-11.6%	228,773	252,220	-9.3%	155,617	47.0%
Telehealth Clinic Visits	42,855	65,207	-34.3%	236,968	270,164	-12.3%	412,999	-42.6%
Total Clinic Visits	**206,174**	**265,161**	**-22.2%**	**897,554**	**1,096,866**	**-18.2%**	**790,228**	**13.6%**
Emergency Room Visits - Outpatient	31,565	33,843	-6.7%	129,406	134,380	-3.7%	115,671	11.9%
Emergency Room Visits - Admitted	4,319	4,816	-10.3%	18,090	18,922	-4.4%	16,843	7.4%
Total Emergency Room Visits	**35,884**	**38,659**	**-7.2%**	**147,496**	**153,302**	**-3.8%**	**132,514**	**11.3%**
Surgery Cases - Outpatient	2,170	3,526	-38.5%	9,312	14,364	-35.2%	8,062	15.5%
Surgery Cases - Inpatient	2,180	2,612	-16.5%	8,895	10,769	-17.4%	7,682	15.8%
Total Surgery Cases	**4,350**	**6,138**	**-29.1%**	**18,207**	**25,133**	**-27.6%**	**15,744**	**15.6%**
Total Outpatient Visits	**361,595**	**419,739**	**-13.9%**	**1,662,493**	**1,733,005**	**-4.1%**	**1,403,264**	**18.5%**
Inpatient Cases (Discharges)	6,422	7,487	-14.2%	26,919	30,794	-12.6%	24,626	9.3%
Outpatient Observation Cases	3,302	4,057	-18.6%	13,643	15,127	-9.8%	11,855	15.1%
Total Cases Occupying Patient Beds	**9,724**	**11,544**	**-15.8%**	**40,562**	**45,921**	**-11.7%**	**36,481**	**11.2%**
Births	1,236	1,329	-7.0%	4,839	5,428	-10.9%	4,217	14.7%
Inpatient Days	41,057	42,565	-3.5%	167,345	174,582	-4.1%	147,521	13.4%
Outpatient Observation Days	10,874	10,523	3.3%	41,781	38,123	9.6%	32,165	29.9%
Total Patient Days	**51,931**	**53,088**	**-2.2%**	**209,126**	**212,705**	**-1.7%**	**179,686**	**16.4%**
Average Daily Census	577.0	589.9	-2.2%	572.9	582.8	-1.7%	492.3	16.4%
Average Operating Beds	689	618	11.5%	670	618	8.4%	654	2.4%
Bed Occupancy %	83.7%	95.4%	-12.3%	85.5%	94.3%	-9.3%	75.3%	13.6%
Inpatient Average Length of Stay	6.4	5.7	12.5%	6.2	5.7	9.7%	6.0	3.8%
Inpatient Case Mix Index (CMI)	1.853	1.738	6.6%	1.799	1.738	3.5%	1.738	3.5%
Payor Mix (% of Charges)								
Charity & Self Pay	47.0%	51.2%	-8.3%	47.3%	51.2%	-7.5%	51.2%	-7.5%
Medicaid & Medicaid Managed	22.3%	22.7%	-1.9%	20.9%	22.7%	-7.8%	22.3%	-5.9%
Medicare & Medicare Managed	12.0%	11.8%	2.0%	12.4%	11.8%	4.7%	11.9%	3.7%
Commercial & Other	18.7%	14.3%	30.8%	19.4%	14.3%	35.5%	14.7%	32.2%
Total Unduplicated Patients - Rolling 12				**261,901**			**234,784**	**11.5%**
Total New Patient - Rolling 12				**84,086**			**64,938**	**29.5%**

Note: Prior year Clinic Visits have been restated; E&M & Telehealth Visits were aligned with Clinic and Ancillary Visits as appropriate. This shift represents a decrease of ~ 7% to Total Clinic Visits but no change to Total Outpatient Visits reported in FY21.

Harris Health System

Statistical Highlights

As of the Year Ended February 28, 2022

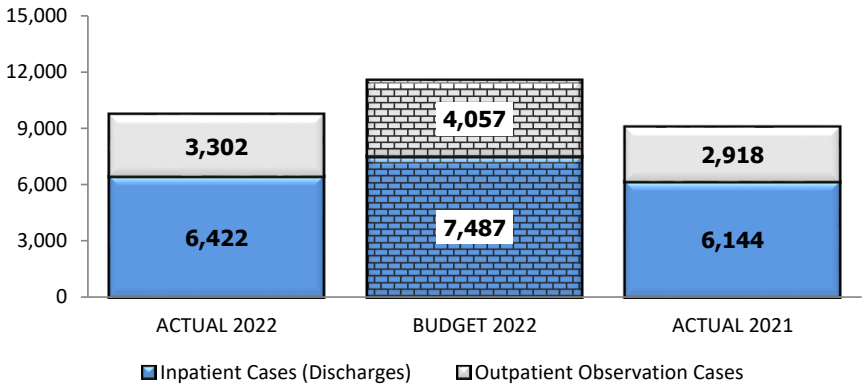
Cases Occupying Beds - Q4		
Actual	Budget	Prior Year
9,724	11,544	9,062

Cases Occupying Beds - YTD		
Actual	Budget	Prior Year
40,562	45,921	36,481

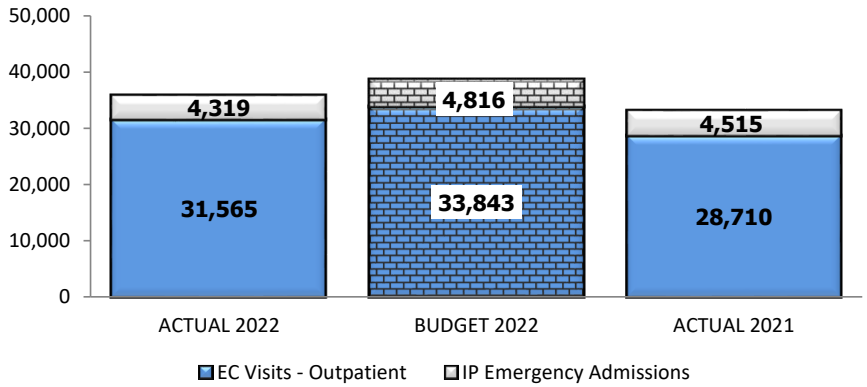
Emergency Visits - Q4		
Actual	Budget	Prior Year
35,884	38,659	33,225

Emergency Visits - YTD		
Actual	Budget	Prior Year
147,496	153,302	132,514

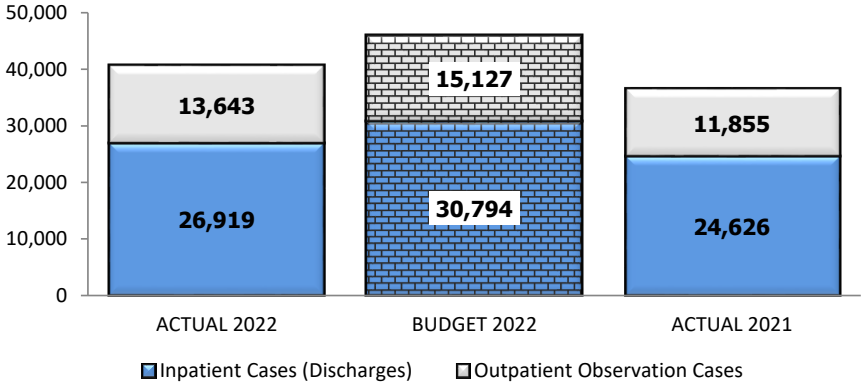
Cases Occupying Beds - Quarter End



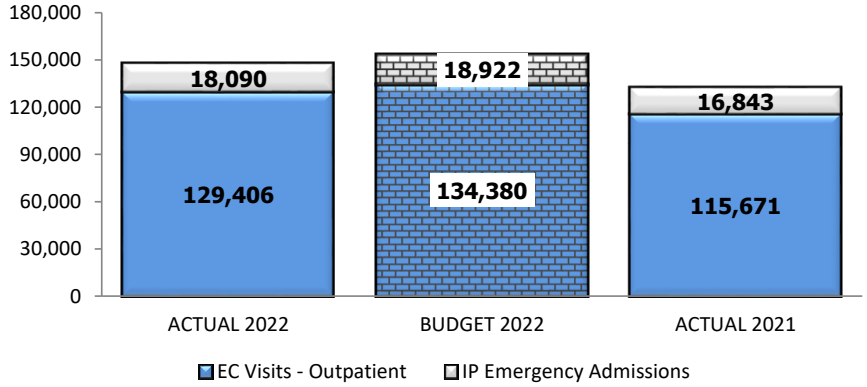
Emergency Visits - Quarter End



Cases Occupying Beds - YTD



Emergency Visits - YTD



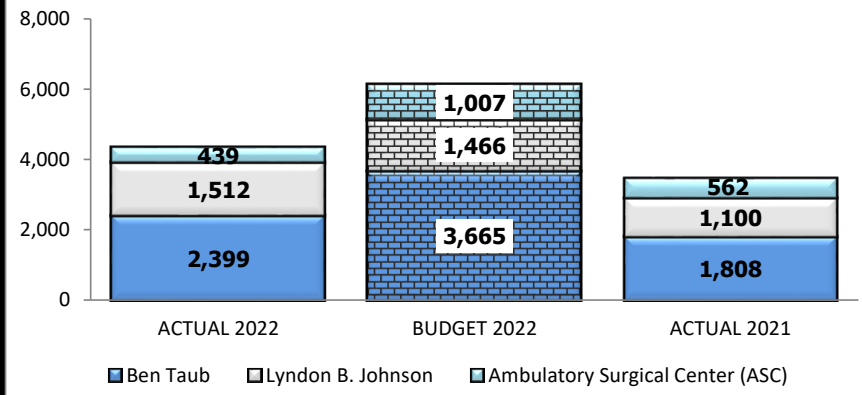
Harris Health System

Statistical Highlights

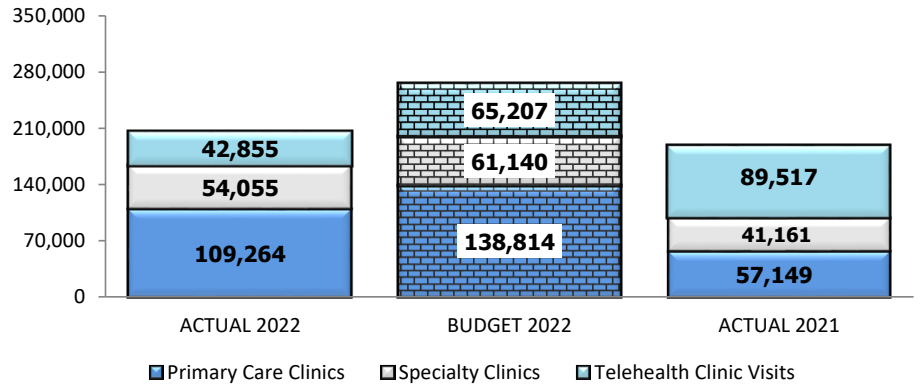
As of the Year Ended February 28, 2022

Surgery Cases - Q4			Surgery Cases - YTD			Clinic Visits - Q4			Clinic Visits - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
4,350	6,138	3,470	18,207	25,133	15,744	206,174	265,161	187,827	897,554	1,096,866	790,237

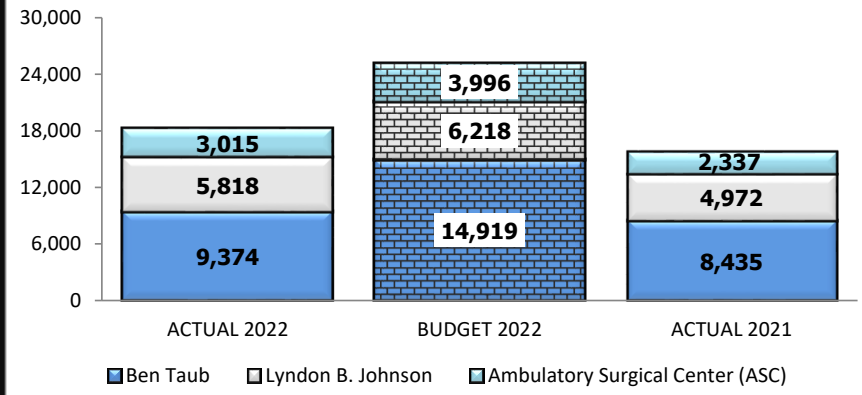
Surgery Cases - Quarter End



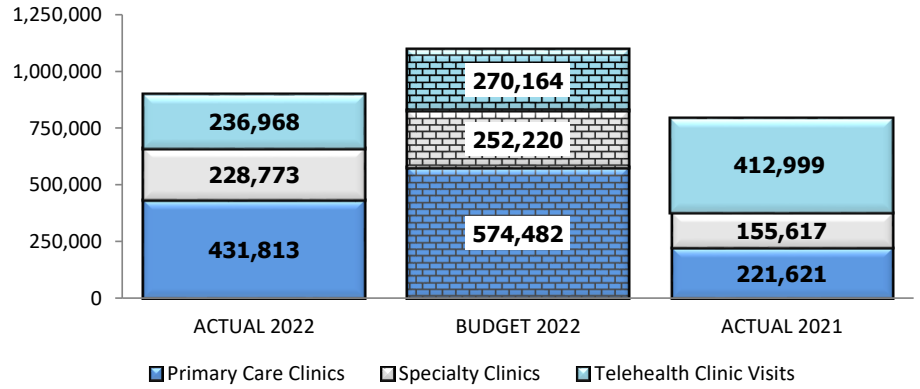
Clinic Visits - Quarter End



Surgery Cases - YTD



Clinic Visits - YTD

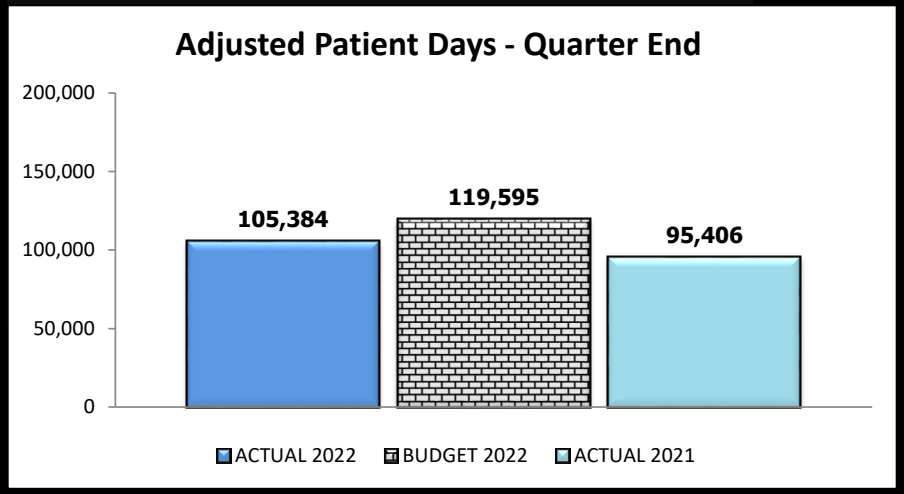


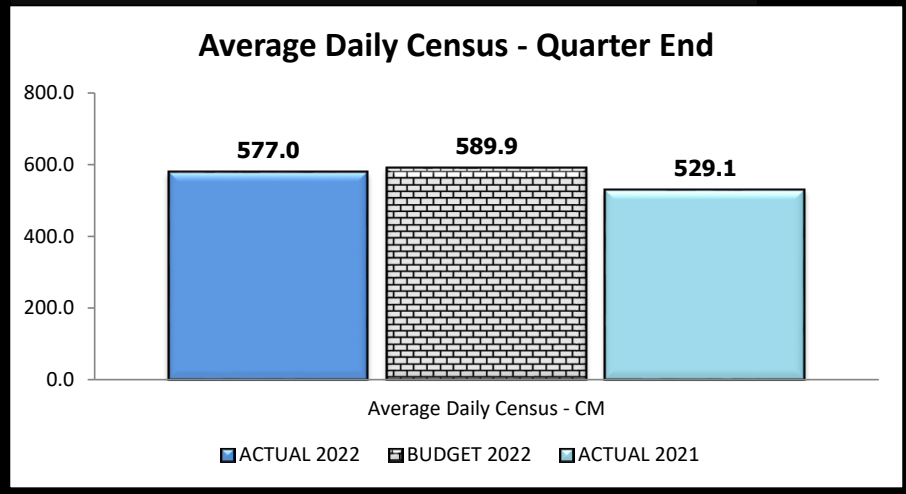
Harris Health System

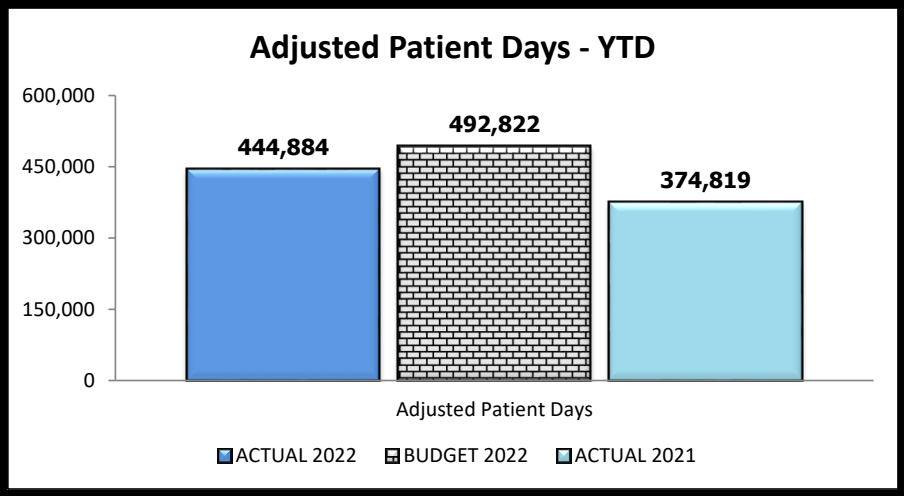
Statistical Highlights

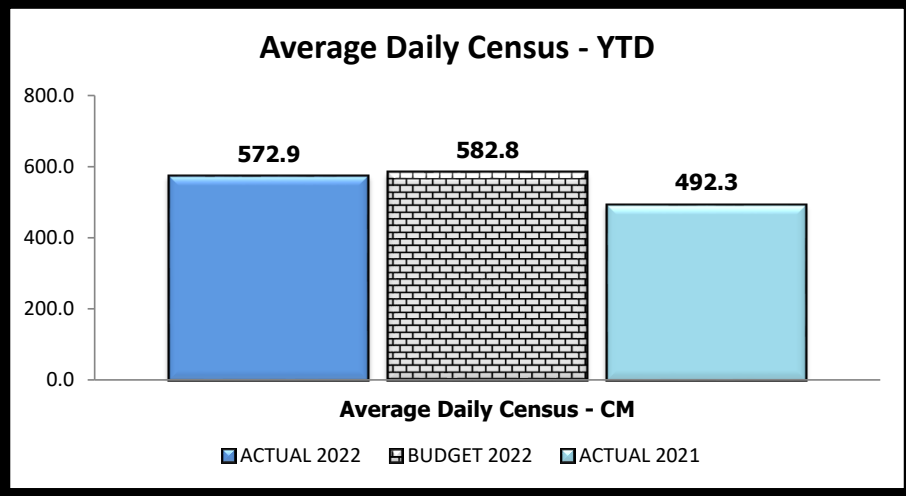
As of the Year Ended February 28, 2022

Adjusted Patient Days - Q4	Adjusted Patient Days - YTD	Average Daily Census - Q4	Average Daily Census - YTD
105,384	444,884	577.0	572.9







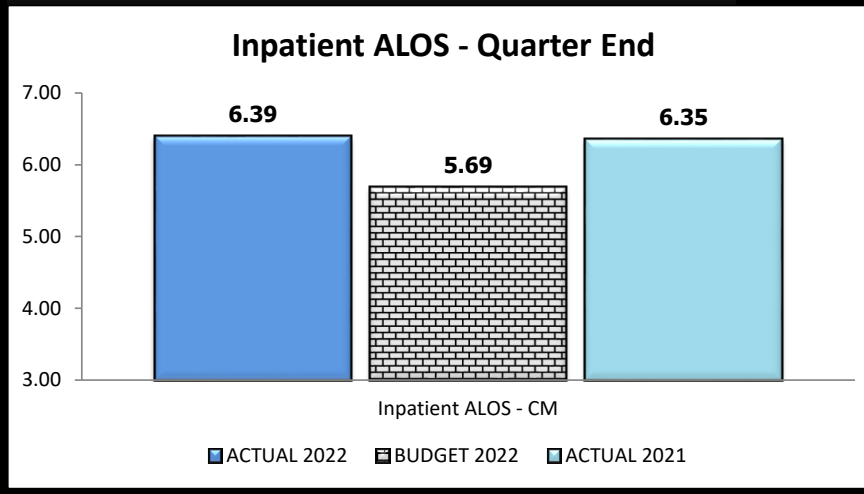


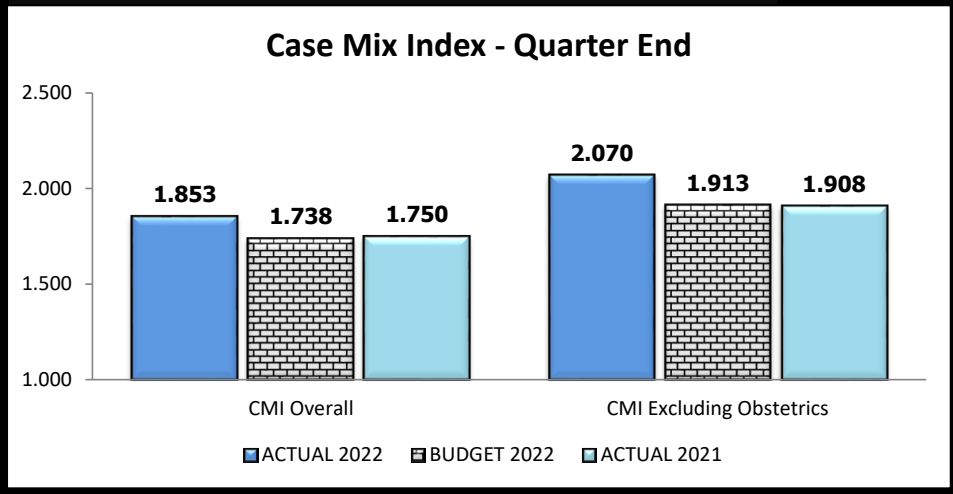
Harris Health System

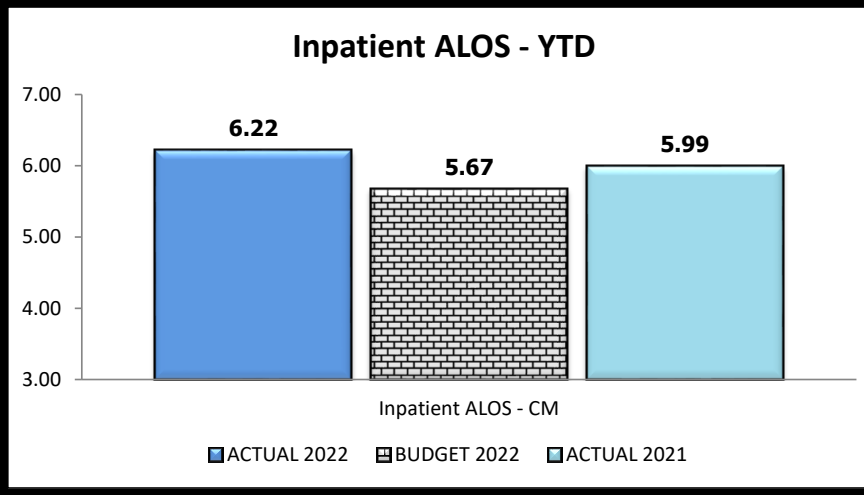
Statistical Highlights

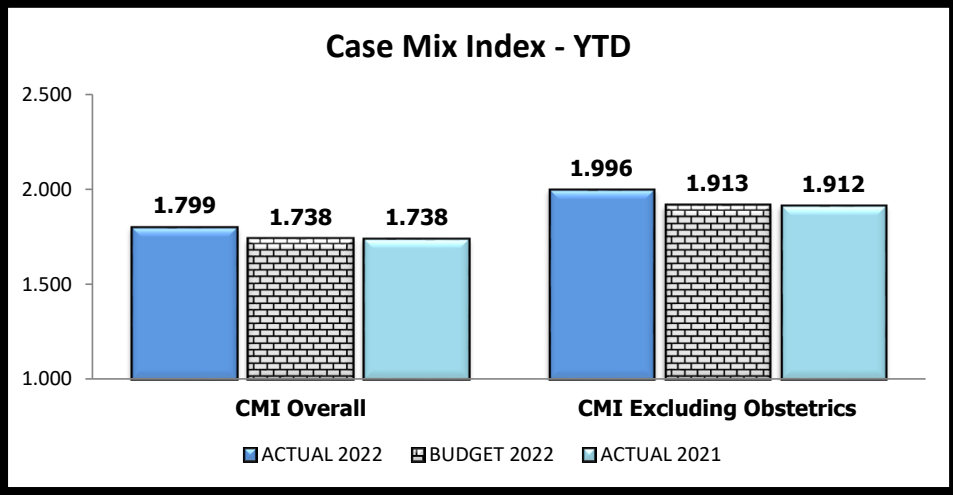
As of the Year Ended February 28, 2022

Inpatient ALOS - Q4	Inpatient ALOS - YTD	Case Mix Index - Q4		Case Mix Index (CMI) - YTD	
		Overall	Excl. Obstetrics	Overall	Excl. Obstetrics
6.39	6.22	1.853	2.070	1.799	1.996









Harris Health System

Statistical Highlights - Cases Occupying Beds

As of the Year Ended February 28, 2022

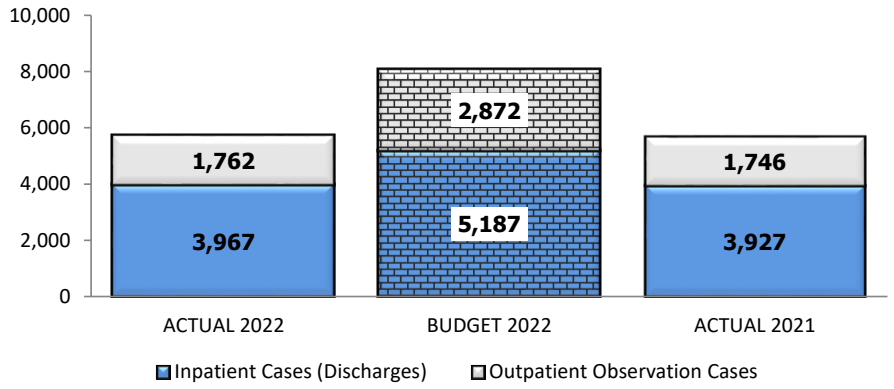
BT Cases Occupying Beds - Q4		
Actual	Budget	Prior Year
5,729	8,059	5,673

BT Cases Occupying Beds - YTD		
Actual	Budget	Prior Year
24,572	31,499	23,009

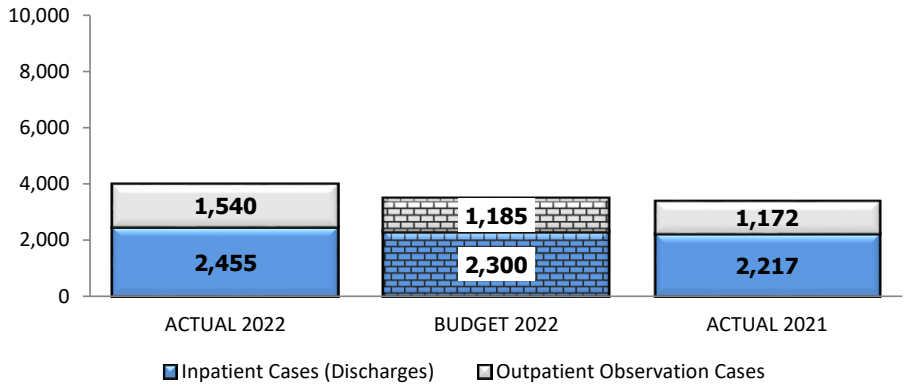
LBJ Cases Occupying Beds - Q4		
Actual	Budget	Prior Year
3,995	3,485	3,389

LBJ Cases Occupying Beds - YTD		
Actual	Budget	Prior Year
15,990	14,422	13,472

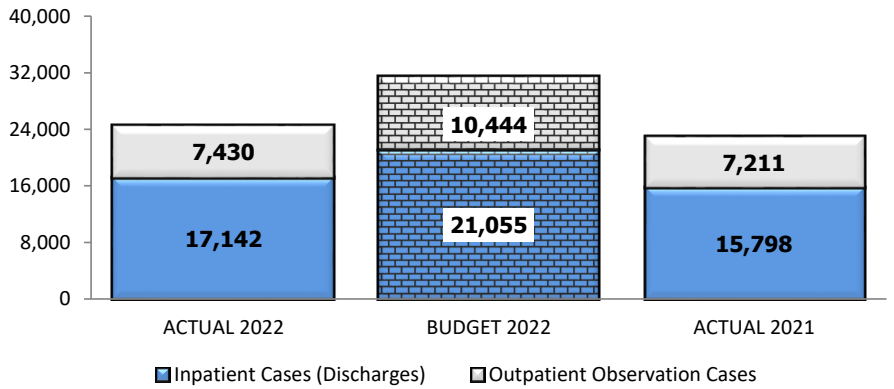
Ben Taub Cases - Quarter End



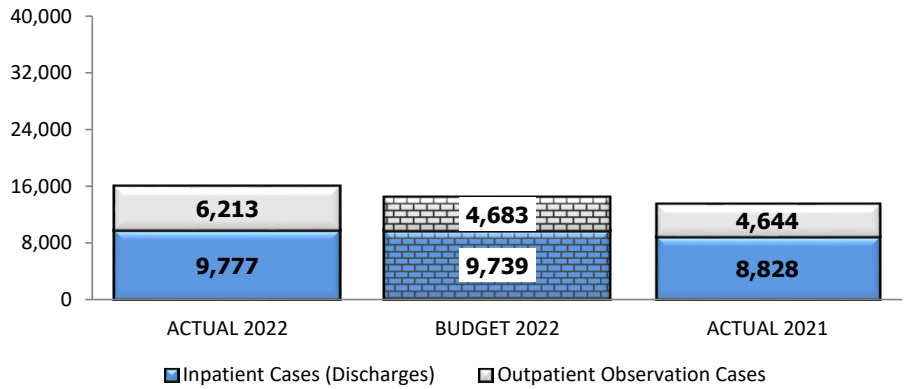
Lyndon B. Johnson Cases - Quarter End



Ben Taub Cases - YTD



Lyndon B. Johnson Cases - YTD



Harris Health System

Statistical Highlights - Surgery Cases

As of the Year Ended February 28, 2022

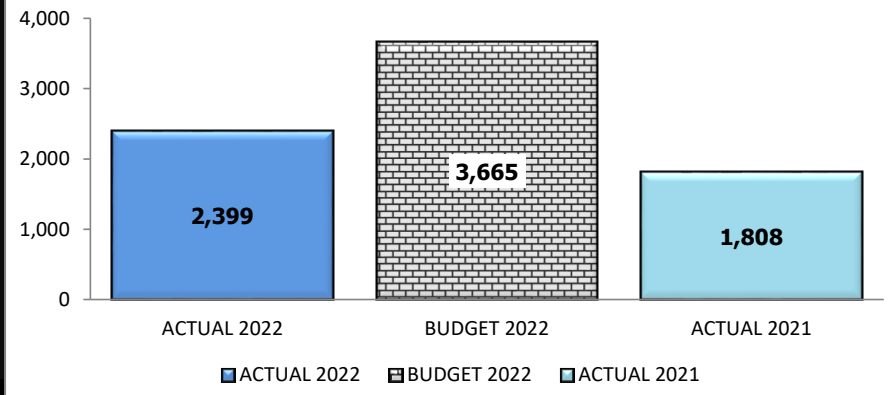
BT Surgery Cases - Q4		
Actual	Budget	Prior Year
2,399	3,665	1,808

BT Surgery Cases - YTD		
Actual	Budget	Prior Year
9,374	14,919	8,435

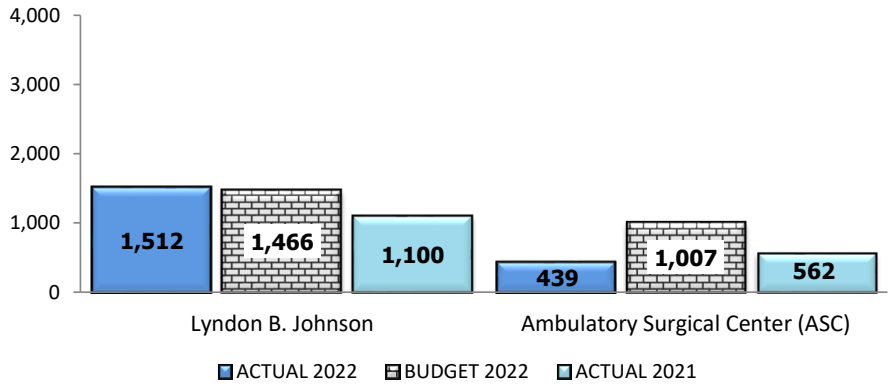
LBJ Surgery Cases - Q4		
Actual	Budget	Prior Year
1,951	2,473	1,662

LBJ Surgery Cases - YTD		
Actual	Budget	Prior Year
8,833	10,214	7,309

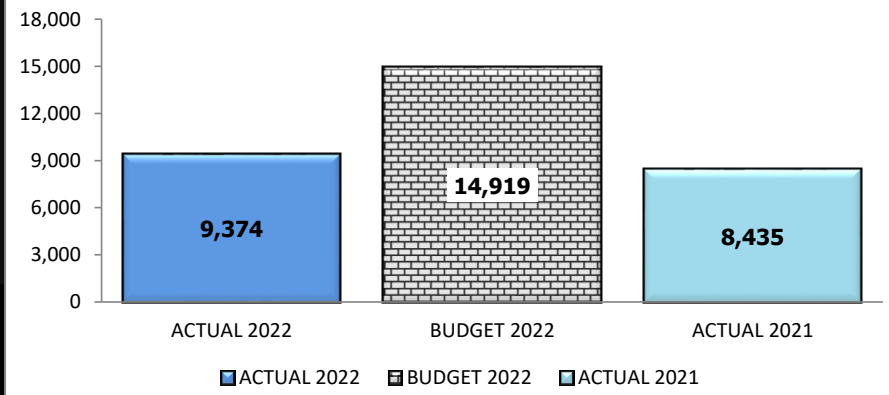
Ben Taub OR Cases - Quarter End



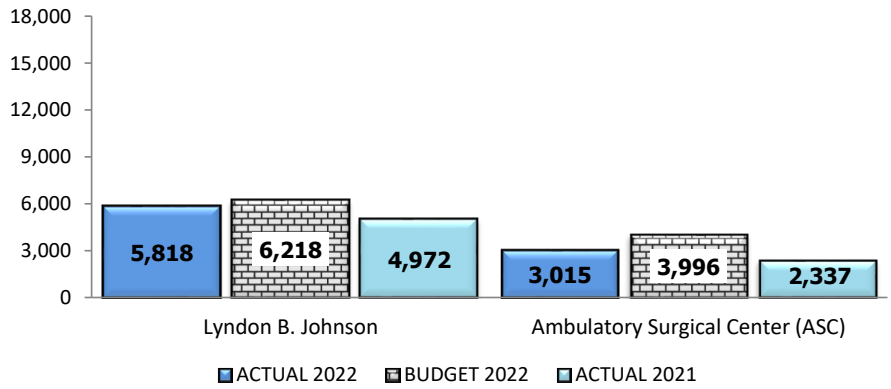
Lyndon B. Johnson OR Cases - Quarter End



Ben Taub OR Cases - YTD



Lyndon B. Johnson OR Cases - YTD



Harris Health System

Statistical Highlights - Emergency Room Visits

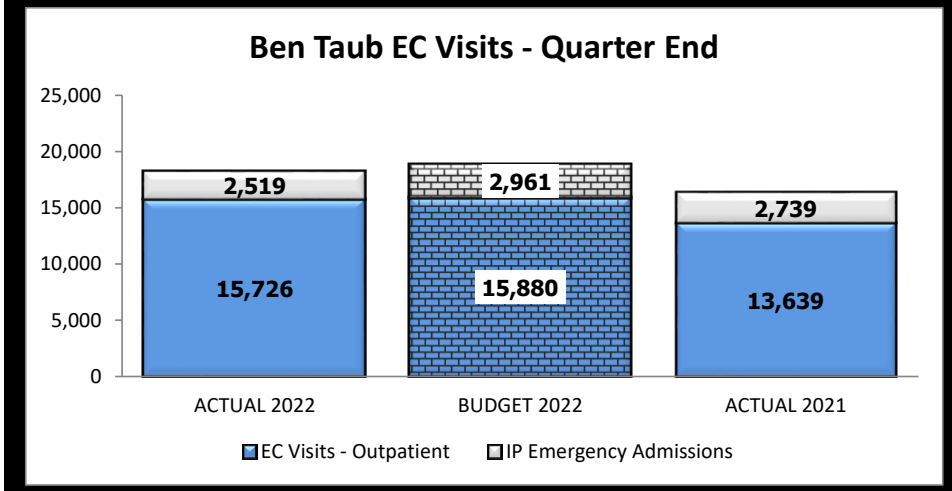
As of the Year Ended February 28, 2022

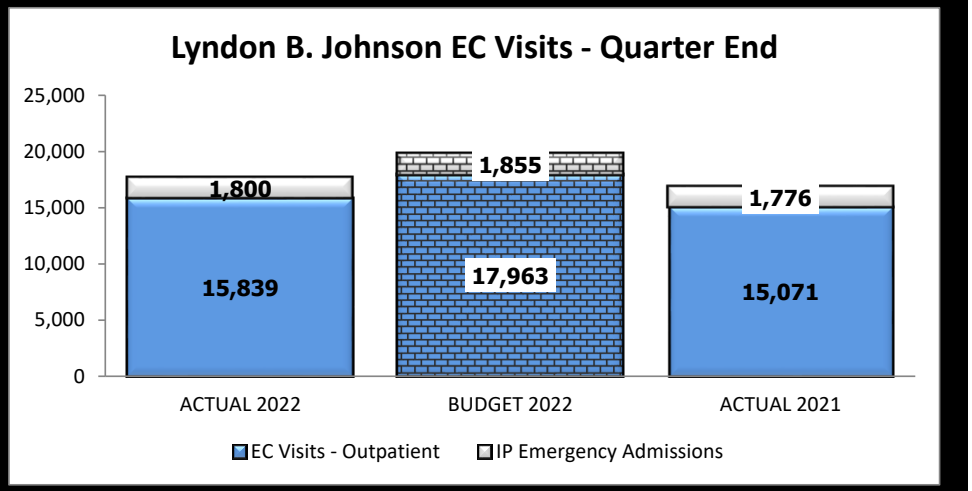
BT Emergency Visits - Q4		
Actual	Budget	Prior Year
18,245	18,841	16,378

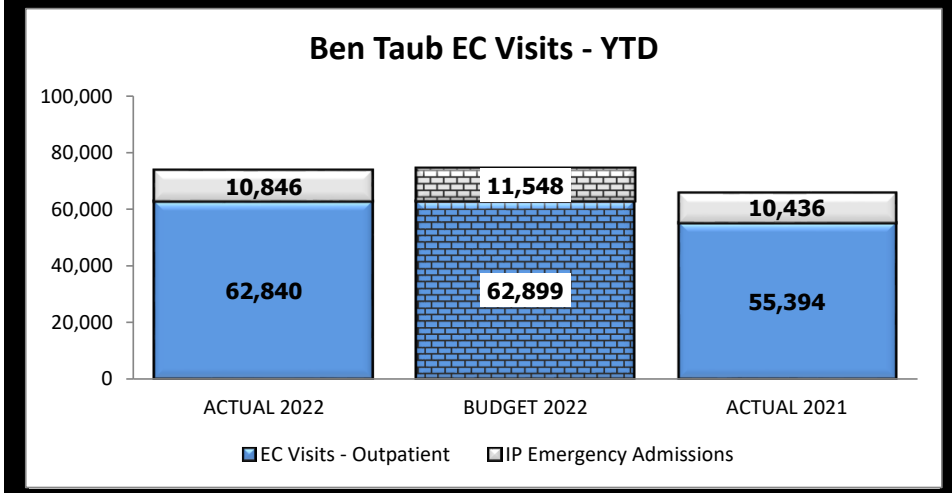
BT Emergency Visits - YTD		
Actual	Budget	Prior Year
73,686	74,447	65,830

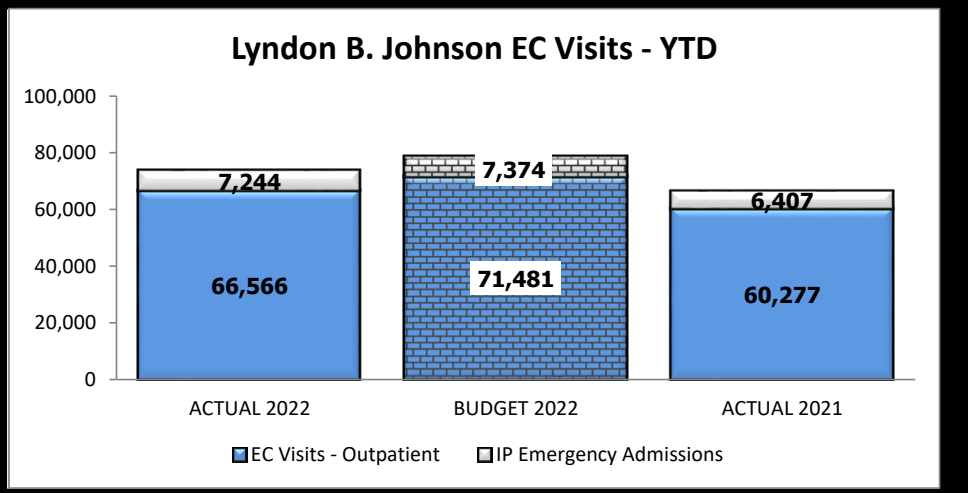
LBJ Emergency Visits - Q4		
Actual	Budget	Prior Year
17,639	19,818	16,847

LBJ Emergency Visits - YTD		
Actual	Budget	Prior Year
73,810	78,855	66,684









Harris Health System

Statistical Highlights - Births

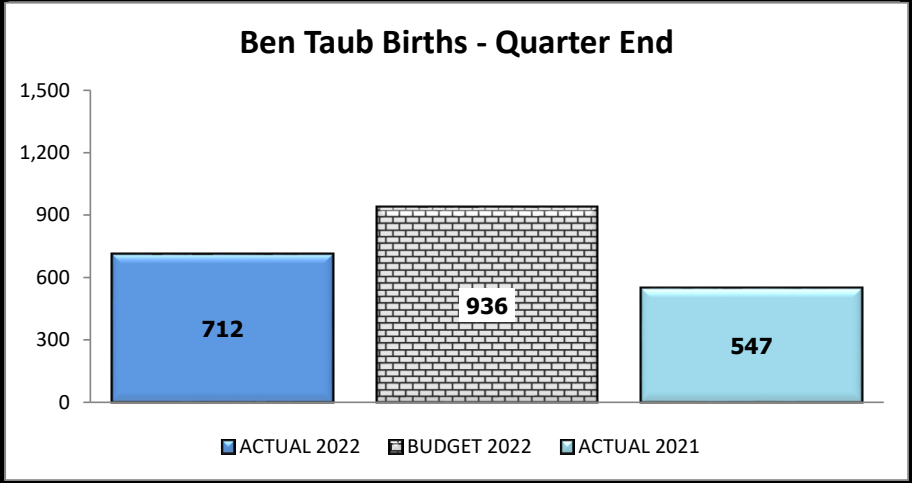
As of the Year Ended February 28, 2022

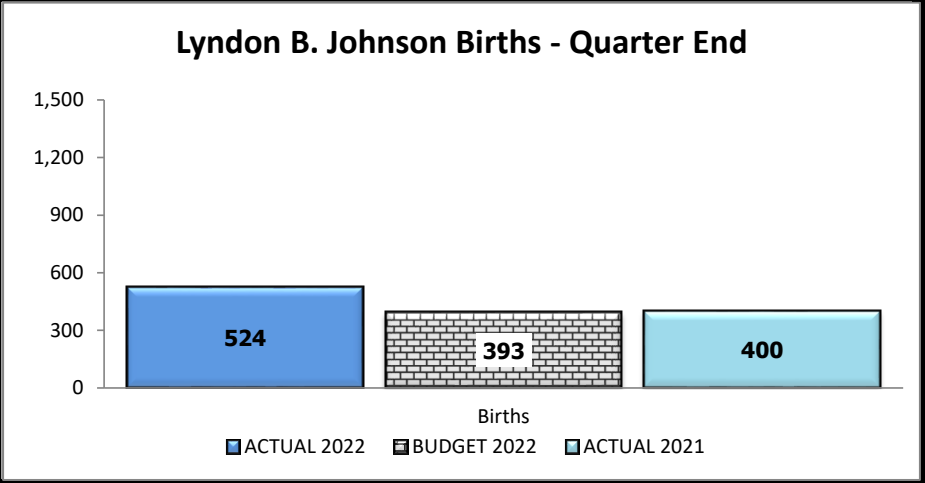
BT Births - Q4		
Actual	Budget	Prior Year
712	936	547

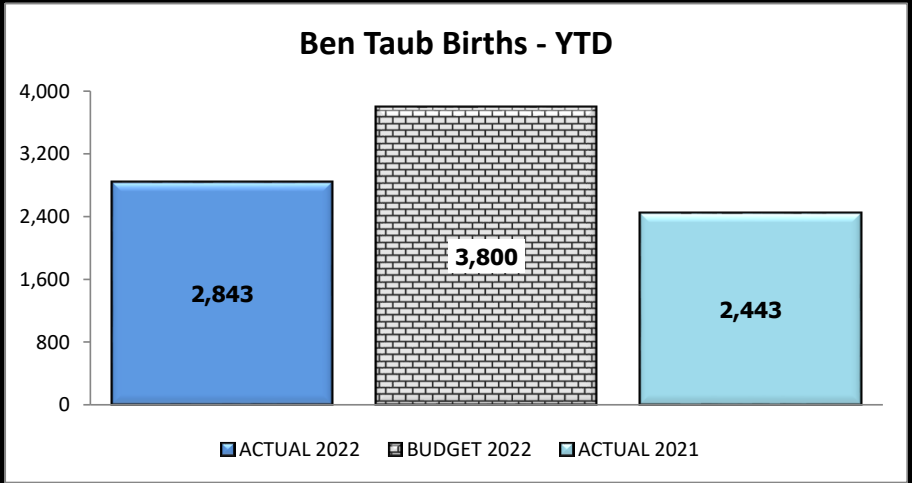
BT Births - YTD		
Actual	Budget	Prior Year
2,843	3,800	2,443

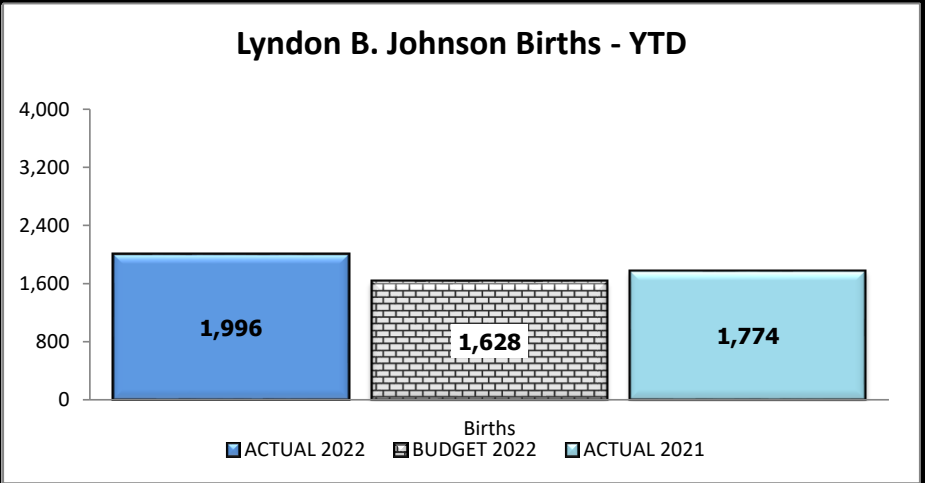
LBJ Births - Q4		
Actual	Budget	Prior Year
524	393	400

LBJ Births - YTD		
Actual	Budget	Prior Year
1,996	1,628	1,774









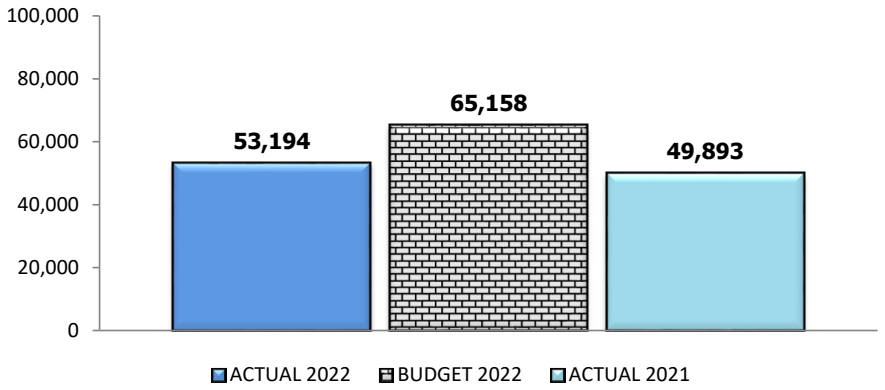
Harris Health System

Statistical Highlights - Adjusted Patient Days

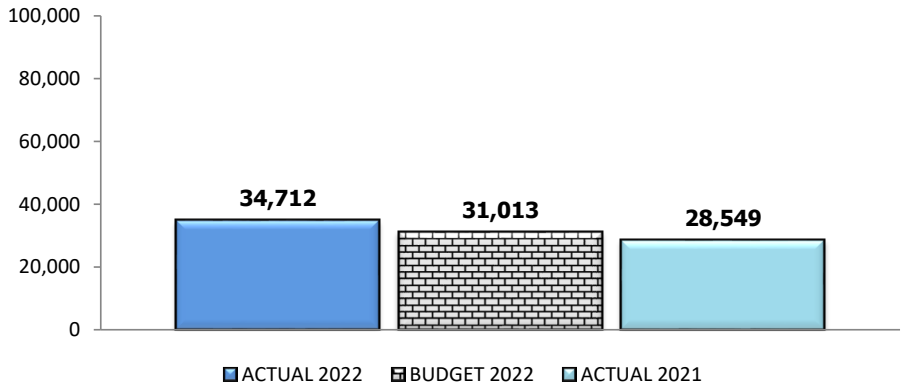
As of the Year Ended February 28, 2022

BT Adjusted Patient Days - Q4	BT Adjusted Patient Days - YTD	LBJ Adjusted Patient Days - Q4	LBJ Adjusted Patient Days - YTD
53,194	226,466	34,712	138,002

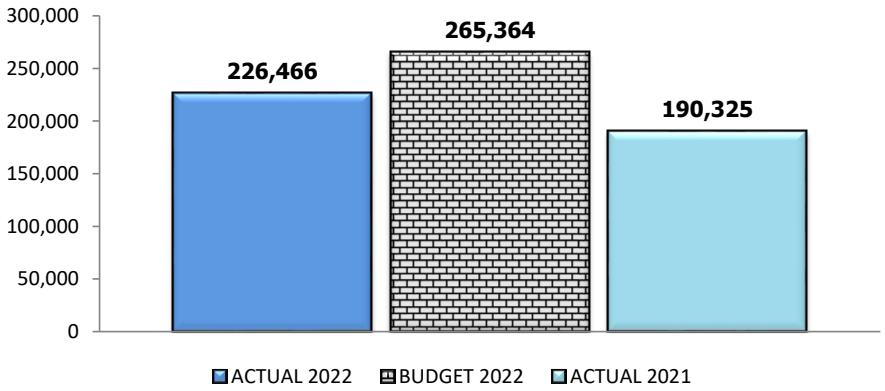
Ben Taub APD - Quarter End



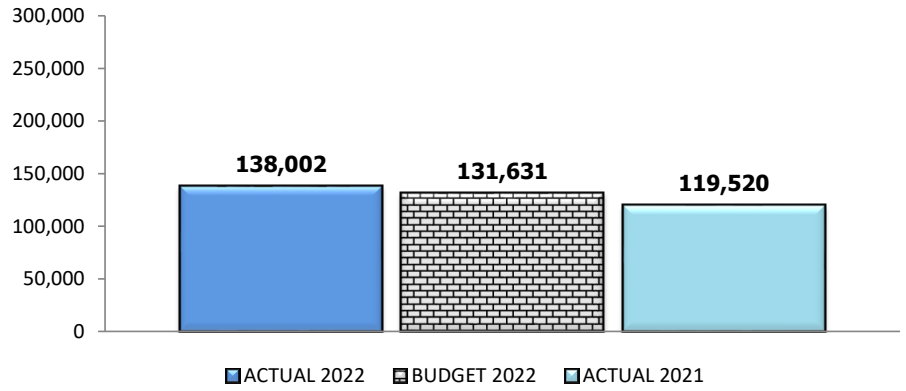
Lyndon B. Johnson APD - Quarter End



Ben Taub APD - YTD



Lyndon B. Johnson APD - YTD



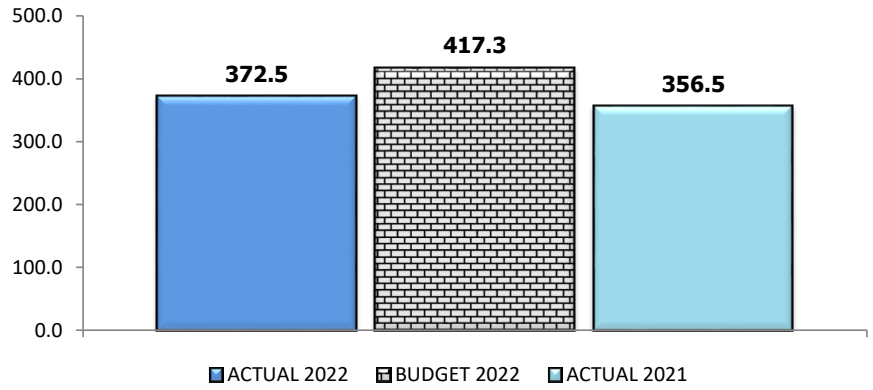
Harris Health System

Statistical Highlights - Average Daily Census (ADC)

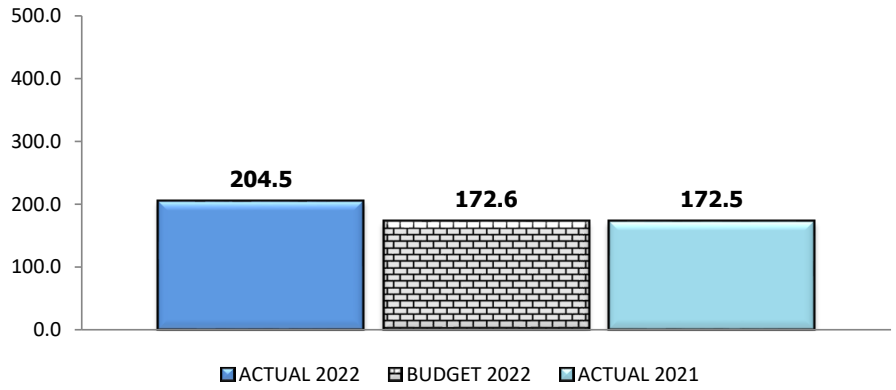
As of the Year Ended February 28, 2022

BT Average Daily Census - Q4	BT Average Daily Census - YTD	LBJ Average Daily Census - YTD	LBJ Average Daily Census - YTD
372.5	376.9	204.5	196.1

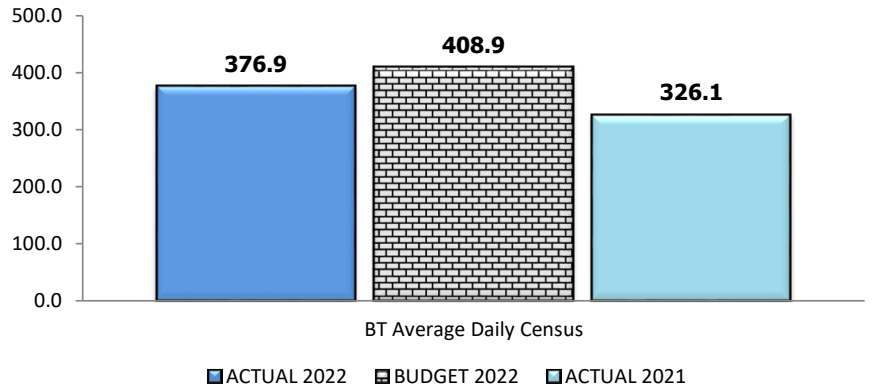
Ben Taub ADC - Quarter End



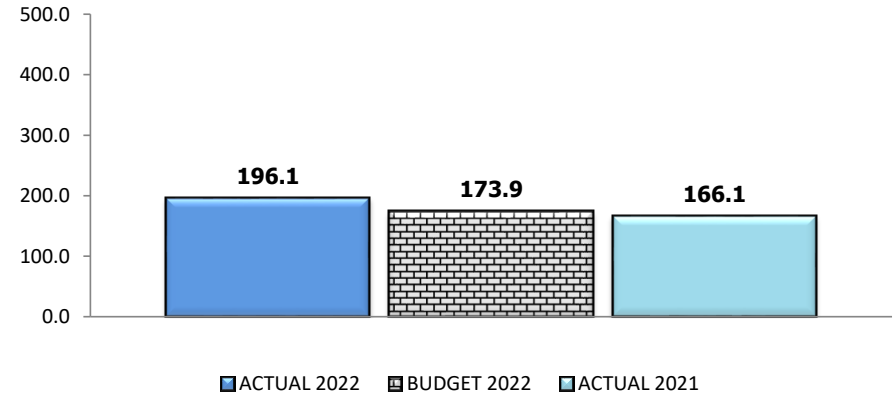
Lyndon B. Johnson ADC - Quarter End



Ben Taub ADC - YTD



Lyndon B. Johnson ADC - YTD



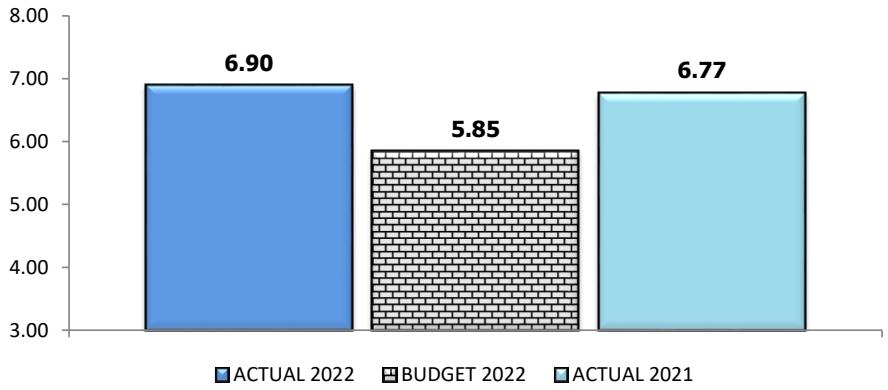
Harris Health System

Statistical Highlights - Inpatient Average Length of Stay (ALOS)

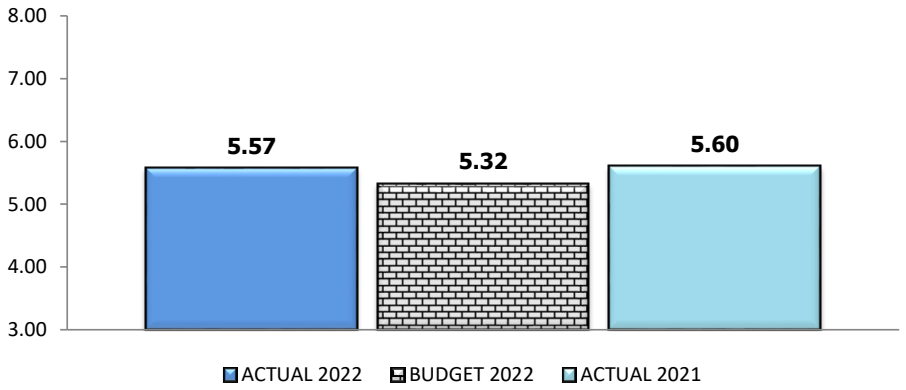
As of the Year Ended February 28, 2022

BT Inpatient ALOS - Q4	BT Inpatient ALOS - YTD	LBJ Inpatient ALOS - Q4	LBJ Inpatient ALOS - YTD
6.90	6.65	5.57	5.46

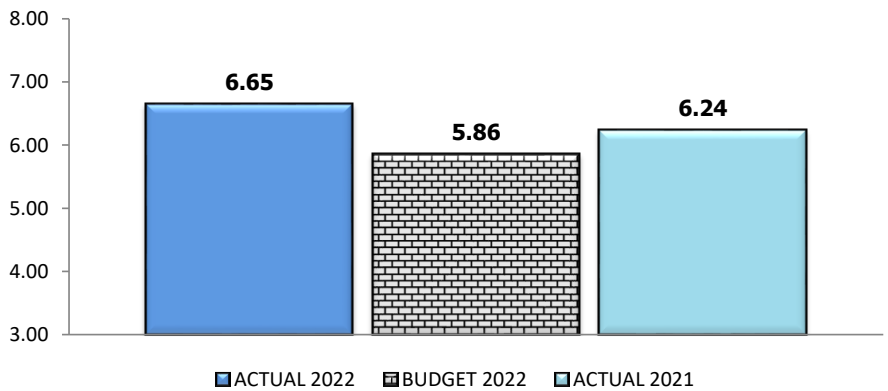
Ben Taub ALOS - Quarter End



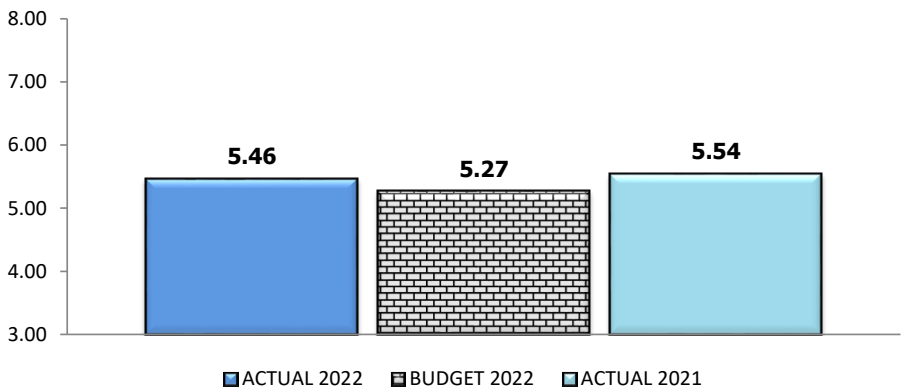
Lyndon B. Johnson ALOS - Quarter End



Ben Taub ALOS - YTD



Lyndon B. Johnson ALOS - YTD

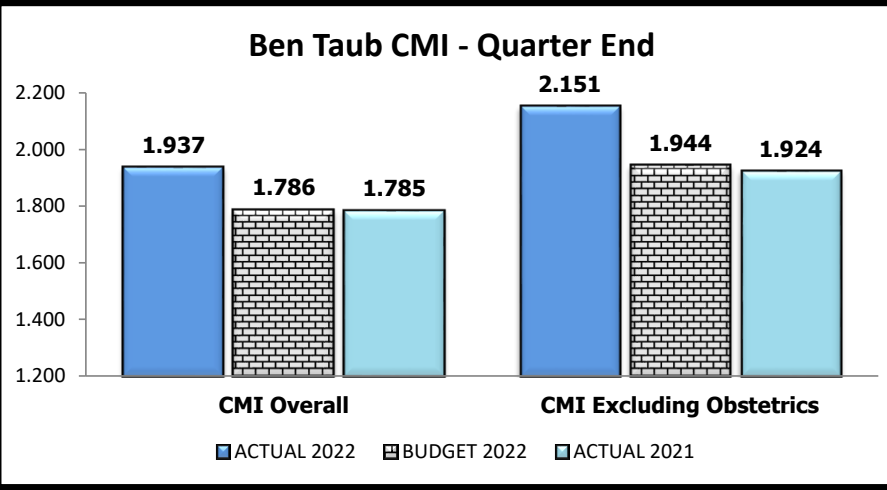


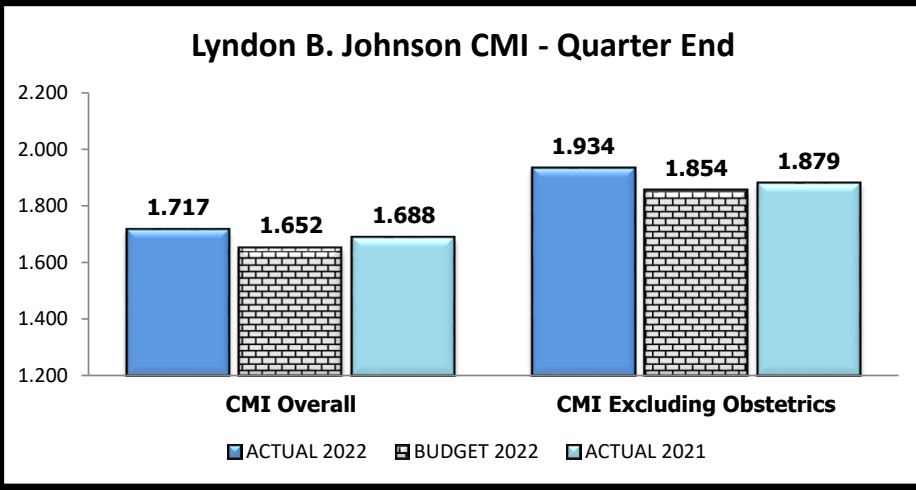
Harris Health System

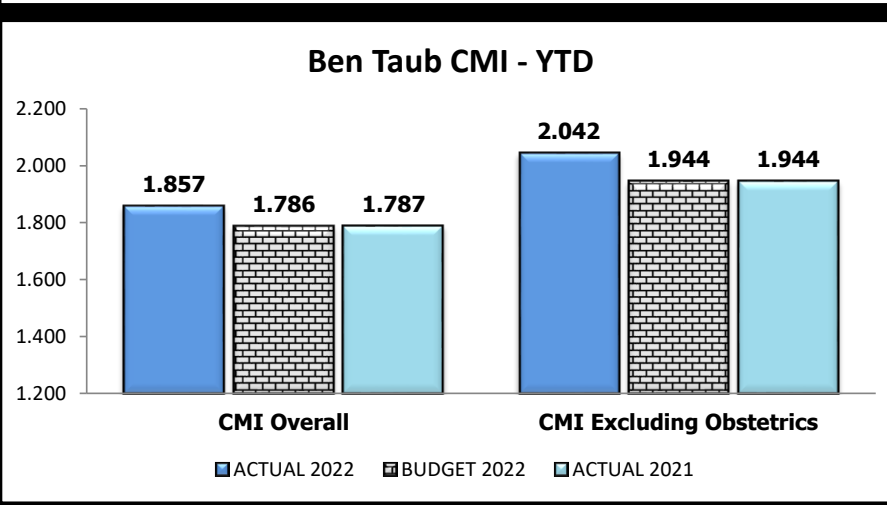
Statistical Highlights - Case Mix Index (CMI)

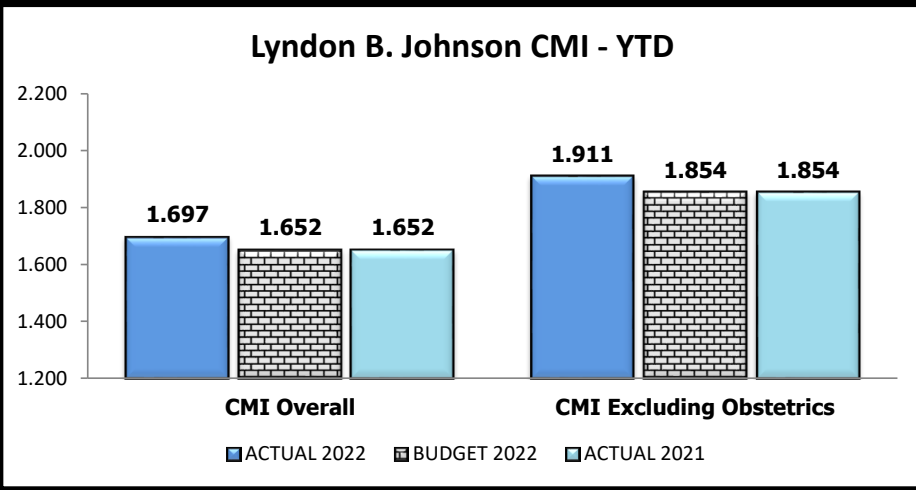
As of the Year Ended February 28, 2022

BT Case Mix Index (CMI) - Q4		BT Case Mix Index (CMI) - YTD		LBJ Case Mix Index (CMI) - Q4		LBJ Case Mix Index (CMI) - YTD	
Overall	Excl. Obstetrics	Overall	Excl. Obstetrics	Overall	Excl. Obstetrics	Overall	Excl. Obstetrics
1.937	2.151	1.857	2.042	1.717	1.934	1.697	1.911









Thursday, April 28, 2022

Harris Health System Legislative Initiatives

Updates Regarding Pending State and Federal Legislative and Policy Issues Impacting Harris Health System.

HARRISHEALTH SYSTEM

Board of Trustees Legislative Update
April 28, 2022

Federal Update

Continuing Resolution Update: Lawmakers in mid-March reached agreement on a $1.5 trillion omnibus appropriations bill which will keep the government funded through the remainder of the current fiscal year. The 2,741-page bill includes $730 billion for non-defense discretionary funding, which represents a 6.7% increase over last year's funding level. The bill also included $15.6 billion in additional COVID relief funding and $13.6 billion in aid to Ukraine. The final agreement striped out $15.6 billion in additional COVID relief funding.

On April 8, U.S, lawmakers began a two-week recess without acting on the compromise $10 billion COVID-19 relief package. The legislation is now in limbo over the contentious Title 42 issue as Senate Republicans and a handful of Senate Democrats are pushing back on the Biden administration's decision to rescind the policy.

The current lack of funding is impacting resources for COVID-19 testing and treatment. The Health Resources and Services Administration stopped accepting providers' claims for COVID-19 testing and treatment on March 22 and stopped accepting claims for the vaccination of the uninsured on April 5. The federal government is also cutting back shipments of monoclonal antibody treatments to states by 30 percent, and the US supply of those treatment could run out as soon as May.

Policy/Legislation Updates: Both the House and Senate are holding hearings and marking up a number of health related matters which include mental/behavioral health, extension of virtual care for both physical and mental/behavioral health and the Acute Hospital Care at Home waiver program contained in the Hospital Inpatient Services Modernization Act. The latter two initiatives were waivers to address the COVID-19 pandemic. The bills would provide a two year extension to allow for congressional study of the fiscal and policy implications for making these waivers permanent. Debate continues on the virtual care platform in the terms of the appropriate mix of in person and virtual visits, audio only, and payment parity among others.

At the end of March there will only be 70 congressional business days and 11 voting days before the mid-term elections in November. It is unlikely that major pieces of legislation will move, but there is hope some of the provision mentioned in the above paragraph will reach the president's desk. The Senate still has the ability to move smaller pieces of Build Back Better through the reconciliation process, but any major health care or immigration related provisions will be pushed to the next Congress and will be contingent on who controls the House and Senate.

State Update

1115 Waiver Update: District Judge J. Campbell Barker set a hearing for March 9 regarding enforcement of the preliminary injunction on the 1115 Waiver filed by HHSC against CMS. On March 11 the court ruled in Texas' favor ruling that CMS's delay in approving or disapproving the Directed Provider Payments (DPPs) was not "collaborative" or in good faith and ordered a decision by March 25 on the DPPs. CMS approved the DPPs ($5.3 billion all funds) for one year, retroactive to September 1, 2021.

At the same time CMS reserved the authority to enforce regulations and defer or disallow any payments. On March 21, the US Office of Inspector General separately notified HHS of its intent to audit Local Provider Participation Funds (LPPF) which are the sole funding mechanism for non-governmental hospitals participating in the DPPs. The stalemate regarding the financing of DPPs is still very much in place.

On March 23, CMS asked HHSC to withdraw its response to CMS' Request for Additional Information (RAI) to allow HHSC and CMS to further discuss the Hospital Augmented Reimbursement Programs. (HARP). HARP is important to Harris Health as it will act as the primary replacement for the DRSIP program. This action will keep negotiations open between HHSC and CMS with a retroactive start date of October 1, 2021.

Texas Attorney General Ken Paxton's litigation over the waiver rescission is ongoing and likely to continue for months if not years.

House Interim Charges: The Speaker of the Texas House of Representatives issued interim committee charges for the 87th Legislature ahead of the next legislative session beginning in January 2023. In releasing the House committee charges, Speaker Dade Phelan also announced the creation of a new House select committee charged with studying health care reform in the state.

The House Committee on Human Services is charged with several items, including ensuring intended legislative outcomes of House bills from the 87th regular session related to the Healthy Families, Healthy Texas initiative, as well monitoring federal decisions over the approval of directed payment programs and the Medicaid 1115 waiver recission.

Among House Insurance committee charges are an evaluation of enacted legislation on preauthorization requirements/utilization review, the prescription drug savings program and legislation related to freestanding emergency rooms.

The House Committee on Public Health has been charged with reviewing telemedicine and telehealth services, resources needed to strengthen Texas' health care workforce and increasing access to health care in rural areas of the state, among other charges.

The House County Affairs Committee and Corrections Committee have an interim charge related county jails and the provision of behavioral health services and treatment and recovery options for those with Substance Use Disorder (SUD). Several committees will be responsible for addressing further reform of appraisal districts, appraisal caps and property tax caps.

As one of two newly created select committees, the House Select Committee on Health Care Reform will study the state's health care delivery systems, including health care costs, affordability of prescription drugs, price transparency requirements and other issues related health care accessibility. Attached are the interim charges and highlighted items that will be of interest to Harris Health as well as a description of the House Select Committee on Health Care Reform.

Senate Interim Charges: Texas Lieutenant Governor Dan Patrick issued 2022 interim committee charges for the Texas Senate to study ahead of the next legislative session beginning in January 2023.

Among the Senate Finance Committee's charges is monitoring federal decision making that affects supplemental Medicaid funding for Texas hospitals and health care systems, including the 1115 waiver, as well as state mental health services delivery systems.

The Senate Health and Human Services Committee will investigate public health data collection and coordination, health care workforce and staffing challenges, as well as pandemic response policies. Other committees will be reviewing the impact of SB 8 the "Heart Beat" law and a variety of tax and appraisal policies. Attached there are highlighted interim charges that will be of interest to Harris Health.

PROCLAMATION

CREATION OF HOUSE SELECT COMMITTEE ON HEALTH CARE REFORM

Pursuant to Rule 1, Section 16(b), Rules of the House of Representatives, I, Dade Phelan, Speaker of the House of Representatives, hereby create the House Select Committee on Health Care Reform.

SECTION 1. MEMBERSHIP, AUTHORITY, AND DURATION.
The committee shall have 11 members and shall have the same authority and duties conferred on standing committees under the Rules of the House of Representatives. The committee expires on the date the 88th Legislature convenes.

The following members are hereby appointed to the House Select Committee on Health Care Reform:

Sam Harless, Chair
Toni Rose, Vice-Chair
Greg Bonnen
John Bucy
Giovanni Capriglione
James Frank
R. D. "Bobby" Guerra
Stephanie Klick
John Lujan
Tom Oliverson
Armando Walle

SECTION 2. DUTIES
The committee is created to provide a cross-jurisdictional forum for the examination and consideration of issues that broadly affect the state's health care delivery system. The committee shall:

(1) Study the implications of excessive health care costs on the efficacy of Texas Medicaid and the private health insurance market and the resulting impact on individual Texans, businesses, and state government. Specifically, the committee shall:
- Examine the interaction of specific factors of health care affordability such as transparency, competition, and patient incentives. Make recommendations to expand access to health care price information to allow consumers to make informed decisions regarding their care;
- Examine the impact of government benefit, administrative, and contractual mandates imposed upon private insurance companies and their impact on employer and consumer premiums and out-of-pocket costs, including the effects of specific benefit and any-willing-provider requirements. Make recommendations for state and agency-level mandates and regulations that could be relaxed or repealed to increase the availability and affordability of private health coverage options in this state; and
- Review access to and affordability of prescription drugs;

(2) Monitor the implementation of, and compliance with, current price transparency requirements and study ways that the state can support patients and increase competition. Make legislative and administrative recommendations, as appropriate;

(3) Evaluate innovative, fiscally positive options to ensure that Texans have access to affordable, quality, and comprehensive health care, with an emphasis on reaching low-income and at-risk populations. The evaluation should include a study of strategies other states and organizations have implemented or proposed to address health care access and affordability. Make recommendations to increase primary health care access points in Texas;

(4) Study ways to improve outreach to families with children who are eligible for, but not enrolled in, Medicaid or CHIP, including children in rural areas; and

(5) Examine the potential impact of delayed care on the state's health care delivery system, health care costs, and patient health outcomes, as well as best practices for getting patients with foregone or delayed health interventions back into the health care system. The study should consider patient delays in obtaining preventive and primary health services, such as well-child care, prenatal care, screenings for cancer and chronic disease, behavioral health, and immunizations, in addition to delays in seeking urgent care or care for chronic illness.

SECTION 3. REPORTING. The committee shall submit a final report in the same manner as an interim study committee under Rule 4, Section 61, Rules of the House of Representatives.

DADE PHELAN
Speaker of the House of Representatives

DATE APPROVED: 3/10/2022

Filed of Record 3/10/2022

Robert Haney
Chief Clerk

Interim Committee Charges

Texas House of Representatives

87th Legislature

Speaker Dade Phelan

March 2022

Committee on Agriculture & Livestock

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - HB 2089, relating to the detection and mitigation of plant pests and diseases;
    - SB 1, Rider 27 (Department of Agriculture), which relates to determining methods to increase the number of grocery stores in food deserts; and
    - SB 1, Rider 28 (Department of Agriculture), which relates to the Experimental Use Program for feral hog abatement.
2. Study the access of the state's agricultural industry to available capital through loans, grants, or other sources. Make recommendations to ensure the agricultural industry has sufficient access to available capital, as well as how the Texas Department of Agriculture can educate farmers, agricultural producers, and others about available sources of capital.
3. Study the impact on agricultural operations, including the operations of dairy facilities, of governmental and regulatory requirements and practices including those that prevent or prohibit an activity that is a normally accepted agricultural practice, and make recommendations to facilitate and encourage agricultural and dairy production in the state.

Committee on Appropriations

1. Monitor and oversee the implementation of appropriations bills and other relevant legislation passed by the 87th Legislature, including the following:
    - SB 1 (87R), General Appropriations Act;
    - HB 5 (87S2) and SB8 (87S3), relating to making supplemental appropriations and giving direction regarding appropriations; and
    - SB 52 (87S3), relating to the issuance of revenue bonds to fund capital projects at public institutions of higher education.
2. Complete study of assigned charges related to the Texas-Mexico border issued in June 2021.
3. Evaluate the history of appropriations from General Revenue-Dedicated Accounts 5010 (Sexual Assault Fund) and 0469 (Crime Victims Compensation Fund). Consider whether revenue sources for these accounts are sufficient to maintain historical commitments to victims services grants.
4. Monitor efforts by the Department of Family and Protective Services to implement Section 11, HB 5 (87S2), relating to foster care capacity improvement.
5. Review the information technology (IT) supporting the Texas Medicaid Program. Evaluate the IT systems' capability to meet the needs of Texas Medicaid to ensure the Health and Human Services Commission's acquisition and procurement processes comply with the requirements of SB 1, Rider 6 (Health and Human Services Commission), relating to Texas Medicaid and Healthcare Partnership); Section 9.01 (Purchases of Information Resources Technologies); and Section 9.02 (Quality Assurance Review of Major Information Resources Projects). Identify ways to:
    - Modernize systems and improve interoperability between systems;
    - Ensure IT functionality is aligned with the needs of the Medicaid Program, including conformity to the managed care model;
    - Reduce administrative burdens;
    - Provide cost savings;
    - Improve future procurements; and
    - Create better transparency and oversight of Medicaid IT contracts.
6. Review the utilization by the Texas Education Agency and local school districts of federal dollars appropriated from the Elementary and Secondary School Emergency Relief funds made available by the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (Public Law No. 116-260) and the American Rescue Plan Act of 2021 (Public Law. 117-2) to address students' instructional loss and mental health challenges.
7. Make funding recommendations for the phased installation of climate control equipment in state correctional facilities, prioritizing facilities that serve vulnerable populations.
8. Examine the long-term capital needs of the Texas Parks and Wildlife Department, including deferred maintenance and planned land acquisitions for new state park land.
9. Monitor the use of appropriated funds by the Texas Water Development Board (TWDB) from the Flood Infrastructure Fund. Examine the criteria used by TWDB in making loan and grant

awards and any unintended consequences that limit the competitiveness of projects in certain communities.

10. Monitor the Strategic Fiscal Review process and the agencies currently undergoing evaluation.

Committee on Business & Industry

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - HB 3746, relating to certain notifications required following a breach of security or computerized data;
    - SB 22, relating to certain claims for benefits, compensation, or assistance by certain public safety employees and survivors of certain public safety employees; and
    - SB 1588 and SB 581, relating to the powers and duties of certain property owners' associations.
2. Study workers' compensation claims involving public safety employees described by SB 22. This study should include an analysis of medical costs, return-to-work outcomes, utilization of care, satisfaction with care, and health-related functional outcomes.
3. Study the impacts of the COVID-19 pandemic on unemployment trends, hurdles to workforce reentry, and industry-specific disruptions.
4. Study the impact of organized retail crime on Texas businesses. Make recommendations for addressing the redistribution of stolen merchandise into the supply chain, including through online marketplaces, to protect Texas businesses and consumers. Make recommendations relating to transparency for online marketplaces and information that should be provided by sellers.
5. Review operational changes and strategies employed by the Texas Workforce Commission to improve outcomes related to Unemployment Benefit Services, including application and payment processes, customer services, and fraud deterrence.
6. Evaluate the overall state of data privacy and online consumer protections in Texas and study the related laws and legislative efforts of other states. Make recommendations to ensure consumer data protections and online privacy.

Committee on Corrections

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - HB 30, relating to educational programs provided by the Windham School District for certain inmates;
    - HB 385, relating to conditions of community supervision and procedures applicable to the reduction or termination of a defendant's period of community supervision; and
    - HB 3227 (86R), relating to the availability of and access to certain programs and services for persons in the custody of the Texas Department of Criminal Justice.
2. Complete study of assigned charges related to the Texas-Mexico border issued in June 2021.
3. Examine the implementation of HB 3130 (85R), which established an educational and vocational training program for certain state jail felony defendants to reduce recidivism and improve outcomes upon reentry.
4. Evaluate the benefits and potential savings associated with modernizing technology throughout the state's correctional system. Consider updating regulations related to cell phone monitoring, body cameras, and video surveillance systems.
5. Evaluate current family visitation rooms and visitation-related practices, programs, and services in TDCJ facilities. Make recommendations regarding any additional measures that TDCJ could take to make visitation more family friendly.
6. For individuals in county jails and TDCJ facilities, or on community supervision or parole, examine:
    - The availability of behavioral health services; and
    - The current treatment and recovery options available for those who are experiencing withdrawal from drug or alcohol use.

    Make recommendations for best practices to address the needs of individuals requiring treatment. *(Joint charge with Committee on County Affairs)*

Committee on County Affairs

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:

    - HB 1545, relating to the continuation and functions of the Commission on Jail Standards;
    - HB 1906, relating to grants awarded to reimburse counties for the cost of monitoring defendants and victims in cases involving family violence; and
    - HB 2073, relating to quarantine leave for fire fighters, peace officers, detention officers, and emergency medical technicians employed by, appointed by, or elected for a political subdivision.

2. Complete study of assigned charges related to the Texas-Mexico border issued in June 2021.

3. Study statutorily mandated services provided by sheriffs and constables and determine whether fee schedules are set at sufficient levels to allow for cost recovery without placing undue burdens on recipients of those services.

4. For individuals in county jails and Texas Department of Criminal Justice facilities, or on community supervision or parole, examine:
    - The availability of behavioral health services; and
    - The current treatment and recovery options available for those who are experiencing withdrawal from drug or alcohol use.

    Make recommendations for best practices to address the needs of individuals requiring treatment. *(Joint charge with Committee on Corrections)*

Committee on Criminal Jurisprudence

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - HB 1540, which implements various changes to state law based on recommendations of the Texas Human Trafficking Prevention Task Force.
2. Study Texas' reentry and integration programs and make recommendations for reducing employment barriers for certain people with a criminal record. Review the length of time certain criminal offenses remain on a defendant's record and consider the impact of expanding the offenses that qualify for an order of non-disclosure. Evaluate the financial and administrative barriers in the petitioning process for record-clearing relief.
3. Examine ways to increase the rate of compliance for court-ordered appearances, including new technologies that will facilitate contact with those ordered to appear. Consider the effectiveness of virtual appearances for certain offenses.
4. Study the accessibility to counsel in cases involving an indigent defendant and make recommendations to improve access to counsel in these cases. Evaluate methods to improve the effectiveness of court-appointed counsel, caseload processing, caseload distribution, and the state's compliance with applicable appointment of counsel requirements.
5. Study the availability of victim services, including community-based trauma recovery, housing and relocation assistance, employment protections, and other services that help victims recover and stay safe following a violent crime. The study should include an evaluation of the processes for nongovernmental organizations to apply for and receive victim services grant funding. Make recommendations for streamlining the grant administration process and improving access to community-based services in neighborhoods with the highest rates of crime and for victims of violent crimes.

Committee on Culture, Recreation, & Tourism

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - HB 1728, relating to partnerships between the Texas Parks and Wildlife Department and nonprofit entities to promote hunting and fishing by certain veterans; and
    - HB 3081, which relates to the issuance of digital tags for the taking of certain animals.
2. Review the overall state of Texas' travel, tourism and hospitality industry. Make recommendations for statutory and regulatory changes to ensure industry resiliency and vitality. Consider the following:
    - Access to federal recovery programs and efforts that enable the draw-down of federal funding;
    - Improvement of workforce reliability; and
    - Use of the supplemental money appropriated to the Governor's Office of Economic Development and Tourism through SB 8 (87S3).
3. Review state efforts to preserve and develop Texas state parks and open spaces to ensure affordable public access to outdoor recreational and educational opportunities.

Committee on Defense & Veterans Affairs

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation.
2. Complete study of assigned charges related to the Texas-Mexico border issued in June 2021.
3. Examine programs and funding streams connected to services that improve mental health outcomes for servicemen and women suffering from Post Traumatic Stress Disorder (PTSD) and Traumatic Brain Injury (TBI).
4. Evaluate the needs of veterans and their families as they return to civilian life, including access to employment, education, housing, counseling, and mental health services. Make recommendations to ensure coordination between state agencies to create a positive environment for veterans transitioning back into communities across the state.

Committee on Elections

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - HB 1382, relating to the availability of certain information regarding early voting;
    - HB 1622, relating to reporting of early voting rosters; and
    - HB 3107, relating to election practices and procedures.
2. Study the laws related to local ballot initiatives and propositions to assess whether reforms are needed to ensure that ballot language is clear and unambiguous and that the process is fair and consistent.
3. Study the effectiveness of new poll watcher training required by SB 1 (87S2).
4. Examine the reporting of election results following an election to determine the reasons for any delays and inaccuracies in the initial reporting of elections results. Make recommendations to ensure that election results are reported in a timely and accurate manner following the closing of the polls.

Committee on Energy Resources

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - HB 1520, relating to extraordinary costs incurred by gas utilities relating to Winter Storm Uri and the authority to issue bonds and impose fees and assessments;
    - HB 3648, which requires the designation of certain natural gas facilities as critical customers or critical gas suppliers during energy emergencies; and
    - SB 3, relating to preparing for, preventing, and responding to weather emergencies and power outages. *(Joint charge with Committee on State Affairs)*
2. Assess efforts made by the Railroad Commission and the Texas Energy Reliability Council to weatherize infrastructure and ensure reliability of the natural gas delivery system during times of disaster.
3. Examine ways to increase the production of oil and gas within the state. Review state and local regulations that could directly impact the exploration or production of oil and gas and make recommendations for increasing Texas' energy independence.
4. Explore options for expanding the state's underground natural gas storage capacity, including using excess storage capacity for carbon capture opportunities and the creation of a strategic natural gas reserve for the state.
5. Evaluate innovative and emerging energy sources. Identify and make recommendations to address legislative or regulatory obstacles to the use, development, and deployment of viable innovative and emerging energy sources.

Committee on Environmental Regulation

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - HB 1680, relating to the regulation of on-site sewage disposal systems on certain leased land that is owned by the federal government;
    - HB 4472, relating to the Texas Emissions Reduction Plan (TERP); and
    - SB 900, which updates performance and safety standards for chemical storage vessels.
2. Evaluate the allocation of TERP funds for effective air pollution reduction programs. Review which existing programs are over or under-subscribed and identify unrealized opportunities that would further program goals.
3. Review recent passage of the Bipartisan Infrastructure Law (Infrastructure Investment and Jobs Act, Public Law No. 117-58), specifically funds that may bolster efforts to clean up polluted sites and plug wells and how federal funds can be used to complement state efforts on well plugging and pollution clean-up.
4. Monitor newly adopted and proposed federal regulations that could directly impact economic development, manufacturing, and industrial activities that fall within the jurisdiction of the committee, including regulations adopted or proposed by the Environmental Protection Agency.

Committee on Higher Education

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - SB 1102, relating to the establishment of the Texas Reskilling and Upskilling through Education (TRUE) Program to support workforce education; and
    - SB 1295, relating to financial support and incentives for comprehensive regional universities.
2. Review progress toward the goals of the *60x30TX* plan, including institutional strategies for responding to changing workforce needs and demands, including workforce education, industry certification, and degree programs to address healthcare shortages.
3. Examine factors that have contributed to the rising costs of higher education, including the effect of statutory tuition and fee waivers and exemptions, the cost of compliance with state and federal mandates, and the increase in the number of non-faculty staff. Make recommendations for controlling these costs and ensuring a sound fiscal approach to managing college affordability for the future.
4. Evaluate the impact of the pandemic on the state's teacher workforce and current practices to improve the recruitment, preparation, and retention of high-quality educators. Explore the impact of the educator preparation program regulatory environment. Make recommendations to improve educator recruitment, retention, and preparation throughout the state. *(Joint Charge with Committee on Public Education)*
5. Review the impact of investments of endowment and other trust funds, including the Permanent University Fund, by university systems and institutions of higher education in businesses and funds owned or controlled by the Russian government or Russian nationals, and determine the need for investment restrictions. Consider the impact of any proposed investment restrictions on fund performance.

Committee on Homeland Security & Public Safety

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - HB 3712, relating to the training of and policies for peace officers; and
    - SB 24, relating to the procedures required before a law enforcement agency hires a peace officer.
2. Complete study of assigned charges related to the Texas-Mexico border issued in June 2021.
3. Study incidents of law enforcement injuries and fatalities to determine those situations that pose the greatest risk to law enforcement. Make recommendations on best practices for increasing and preserving the safety and security of law enforcement officers, including those undercover.
4. Compare Texas' incident crime reporting requirements with those of other states and determine whether a standardized reporting requirement should be implemented for Texas law enforcement. Study opportunities to modernize and improve local and statewide data collection and dissemination throughout the criminal justice system to promote transparency and ensure uniform data collection processes.

Committee on Human Services

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - Legislation implementing the Healthy Families, Healthy Texas initiative, including:
        - HB133, relating to the provision of benefits under Medicaid and the Healthy Texas Women program; and
        - Relevant provisions of HB2658, relating to the administration and operation of the Medicaid managed care program, especially those provisions that relate to continuous eligibility for a child for Medicaid; and
    - HB 3041, related to the implementation of the Family Preservation Services Pilot Program.

2. Complete study of assigned charges related to the Texas-Mexico border issued in June 2021.
3. Evaluate current prevention and early intervention programs and make recommendations for improving the effectiveness of these programs in reducing child abuse and neglect.
4. Monitor implementation of SB1, Rider 30 (Health and Human Services Commission) and make recommendations for reducing the interest list for waiver services for Individuals with Intellectual Disabilities and reducing associated staffing shortages.
5. Evaluate further action needed to improve the safety and quality of the foster care system, including preventing children in foster care from being without a placement and increasing recruitment of foster families. Identify methods to strengthen Child Protective Services processes and services, focusing on efforts for family preservation and eliminating fatalities within the foster care system. This evaluation should:
    - Study the causes for children without placement;
    - Assess the safety concerns for children without placement, including the use of out-of-state and temporary emergency placement for children without placement; injuries while in the care of Department of Family and Protective Services (DFPS) employees; and exposure to child sex trafficking; and
    - Study how and why children without placement frequently enter the juvenile justice and adult criminal justice systems and the steps DFPS is taking to identify and prevent these instances.
6. Assess the quality and effectiveness of the DFPS IMPACT system for security, transparency, and accuracy. Review DFPS processes relating to the integrity of digital case management. Evaluate whether DFPS data collection adequately responds to child wellbeing indicators.
7. Examine the long-term services and support system of care in Texas. Study workforce challenges for both institutional and community services. Assess opportunities to improve patient safety at senior living facilities. Consider mechanisms to promote a stable, sustainable, and quality-based long-term care system to address current and future needs of the state.
8. Monitor federal decisions that may impact the delivery and financial stability of the state's health programs, including: the Centers for Medicare and Medicaid Services' rescission of its

prior approval of the State's 1115 Waiver, the state and federal negotiations of the Medicaid directed payment programs (including hospital finance methods), federal changes to the Medicaid Disproportionate Share Hospital Program and the exclusion of certain costs from the uncompensated care program authorized through the 1115 Waiver.

Committee on Insurance

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - HB 18, relating to the establishment of the prescription drug savings program for certain uninsured individuals;
    - HB 3459, relating to preauthorization requirements for certain health care services and utilization review for certain health benefit plans;
    - HB 3752, relating to the offering of health benefit coverage by subsidiaries of the Texas Mutual Insurance Company; and
    - HB 3924, relating to health benefits offered by certain nonprofit agricultural organizations.

2. Review existing state laws, administrative regulations, and agency practices to identify barriers to competition in the insurance marketplace. Examine existing business practices in the industry to determine if additional laws or regulations are needed to promote competition, lower premiums, and protect consumers.
3. Monitor the implementation, compliance, and enforcement of legislation related to freestanding emergency rooms to determine whether patients are adequately protected and if further safeguards and disclosures are needed.
4. Review Texas' insurance anti-rebating laws and model legislation related to rebates. Make recommendations for legislation that would preserve the purpose of the current statute while allowing certain services for and benefits to insurance consumers.
5. Study the impacts of the U.S. Supreme Court's 2020 decision in *Rutledge v. Pharmaceutical Care Management Association* and the federal *No Surprises Act* (2021 Consolidated Appropriations Act, Public Law No. 116-620) on the Texas insurance market.

Committee on International Relations & Economic Development

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - HB 619, relating to developing a strategic plan to support the child-care workforce;
    - HB 1792, relating to the evaluation of child-care providers participating in the Texas Rising Star Program;
    - HB 2607, relating to the powers and duties of the Texas Workforce Commission and local workforce development boards regarding the provision of childcare and the subsidized childcare program;
    - HB 3767, relating to measures to support the alignment of education and workforce development with state workforce needs, including the establishment of the Tri-Agency Workforce Initiative; and
    - SB 1555, relating to establishing reimbursement rates for certain child-care providers participating in the subsidized childcare program.
2. Complete study of assigned charges related to the Texas-Mexico border issued in June 2021.
3. Monitor the state's economic recovery and identify obstacles impeding the state's economic recovery. Examine the economic impact of inflation on both employers and employees. Examine global supply chain disruptions on state commerce and the flow of trade at Texas ports. Explore opportunities to attract businesses to Texas that have outsourced elements of their supply chain to foreign countries.
4. Examine current economic development incentive programs and identify opportunities to enhance job creation in Texas. Make recommendations to promote transparency and enhance effectiveness of such programs.
5. Evaluate Texas' current efforts to attract semiconductor investment to the state. Identify potential strengths and vulnerabilities that could impact the success of Texas' semiconductor industry and the ability to create and maintain a reliable semiconductor supply chain.
6. Evaluate labor shortages and Texas' unemployment numbers. Identify initiatives within the Texas Workforce Commission to expand job training and apprenticeship opportunities to help meet labor demands. Identify opportunities to increase outreach and information regarding career development.
7. Review the impact that trade with Russia has on the Texas economy, including Texas manufacturers. Consider the impact of Texas investment in businesses and funds owned or controlled by the Russian government or Russian nationals, and determine the need for investment restrictions. Consider the impacts of any proposed investment restrictions on access by Texas businesses and the Texas scientific and technological community to capital investment, global markets, and competitive knowledge.

Committee on Judiciary & Civil Jurisprudence

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation.
2. Complete study of assigned charges related to the Texas-Mexico border issued in June 2021.
3. Study potential solutions to improve the judicial efficiency of the state courts of appeals by analyzing caseloads and making appropriate recommendations.
4. Evaluate the use and types of guardianships in Texas and the effect of guardianship on individual rights. Study the financial costs to families related to attaining and maintaining guardianship and compare costs to those associated with guardianship alternatives, such as supported decision-making.
5. Study the operations of specialty courts. Determine whether additional specialty courts should be considered to address needs within specific populations. Review specialty court methods and best practices that have been implemented for specialty courts in other states, including their impact on judicial efficiency.
6. Study state laws and procedures relating to jury service eligibility, including a review of existing jury exemptions, and make recommendations to ensure the privilege, right, and duty of jury service is protected and promoted.

Committee on Juvenile Justice & Family Issues

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - HB 4544, relating to providing children committed to the Texas Juvenile Justice Department with certain documents on discharge or release, authorizing a fee.
2. Complete study of assigned charges related to the Texas-Mexico border issued in June 2021.
3. Examine obstacles to the reporting of domestic violence and how these obstacles contribute to the difficulty in obtaining and enforcing a protective order. Examine new technologies that could facilitate domestic violence reporting without putting victims at risk of further violence and harm.
4. Explore ways to modernize the juvenile justice system for youth on probation and incarcerated youth. Review statewide resource allocation, including available staffing, and identify potential geographic limitations. Investigate the best practices of smaller specialized facilities for youth committed to the Texas Juvenile Justice Department while leveraging the Department's current facilities and staff. Analyze the current gaps in county-level services and funding and make recommendations to address those gaps.
5. Examine workforce issues at state and local juvenile correctional facilities and consider the state's incentives to recruit quality staff. Consider the geographic areas where specialty providers are concentrated and the viability of opening specialized facilities for the state's youth with the highest therapeutic need to relieve the state's current rural facilities struggling with staffing. Consider consistent investments the state can make in local probation to encourage their facilities to divert youth from the juvenile justice system.
6. Study how child support is calculated and administered in Texas and how the Texas method compares to other states' plans for calculating child support, including identifying modern trends across the country for calculating child support. Consider how alternative methods for calculating child support affect each parents' share of responsibility for child support, health care, childcare, and other matters in other jurisdictions compared to Texas.

Committee on Land & Resource Management

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation.
2. Study the effect of governmental land-use regulations and controls on the availability and affordability of residential housing in Texas, including land use and zoning restrictions and related factors that slow or hinder housing development and improvement. Identify viable, free market solutions in lieu of governmental regulation to help Texas meet the current and future housing demands of a growing statewide population.

Committee on Licensing & Administrative Procedures

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - HB 636, relating to the continuation and functions of the Texas State Board of Plumbing Examiners; and
    - HB 1560, relating to the continuation and functions of the Texas Department of Licensing and Regulation.
2. Explore opportunities to strengthen and enforce laws to reduce illegal gaming and the proliferation of unlawful game rooms. Identify how cash-paying game rooms utilizing machines commonly known as "8-liners" have been allowed to proliferate and how the comptroller or other state agencies can assist law enforcement with ongoing investigations.
3. Evaluate the qualifications for massage establishments, including gaps and loopholes in the application, monitoring, inspection, enforcement, and complaint processes that allow unlawful activity to occur. Consider the multidisciplinary and intergovernmental collaboration required to reduce illicit massage establishments and connect victims with services. Make recommendations to protect Texans against unlawful activity and victimization such as human trafficking.

Committee on Natural Resources

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - SB 1160, relating to the creation of the Gulf Coast Protection District and providing the authority to issue bonds; and
    - SB 2185, relating to restrictions on certain water improvement districts.
2. Explore ways in which the state can further support the construction of a coastal barrier system.
3. Examine the condition of Texas' water and flood mitigation infrastructure capabilities and consider future infrastructure needs. Evaluate sustainable funding sources to provide for water project development and infrastructure repair and replacement. Examine and make recommendations for cost-effective improvements that enhance the state's available water supply and improve the state's ability to desalinate seawater.
4. Review the adequacy and efficiency of current mechanisms used to compensate water right holders when the Texas Commission on Environmental Quality temporarily transfers a water right under an emergency authorization. Make appropriate recommendations for the protection of private property rights of water right holders.
5. Examine the state's groundwater management policy and regulatory framework. Include a review of large-scale water transfers and their impact on groundwater resources. Make appropriate recommendations for legislation or state agency action to:
    - promote the achievement of planning goals under Chapter 36, Water Code, including those involving desired future conditions;
    - provide adequate transparency to the permit application process;
    - further the state's groundwater quality protection efforts, including an assessment of risks posed to groundwater by abandoned and deteriorated water wells and orphan oil and gas wells; and
    - promote conservation and waste prevention.
6. Monitor newly adopted and proposed federal regulations that could impact activities that fall within the jurisdiction of the committee, including regulations under consideration by the Environmental Protection Agency relating to the definition of waters of the United States.

Committee on Pensions, Investments & Financial Services

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - HB 1258, relating to data matching with financial institutions to facilitate the collection of certain delinquent taxes;
    - HB 1585, relating to the operations and functions of the Teacher Retirement System of Texas;
    - HJR 99, proposing a constitutional amendment authorizing a county to finance the development or redevelopment of transportation or infrastructure in unproductive, underdeveloped, or blighted areas in the county; authorizing the issuance of bonds and notes; and
    - SB 1444, relating to participation in the uniform group coverage program for active school employees and to a study concerning health coverage for school district employees.

2. Review and evaluate the actuarial soundness of the Employees Retirement System (ERS) and Teacher Retirement System (TRS) pension funds.

3. Review the Texas Local Fire Fighters Retirement Act to ensure proper governance and financial oversight. Examine whether the Pension Review Board has proper oversight and authority to implement necessary corrective measures.

4. Evaluate the actuarial soundness of the Law Enforcement and Custodial Officer Supplemental Retirement Fund and Judicial Retirement System of Texas Plan 2. Identify strategies to reduce and eliminate existing unfunded liabilities and recommend structural enhancements that improve the financial health and viability of the funds moving forward.

5. Review the impact of investments by public retirement systems of their endowment and other trust funds in businesses and funds owned or controlled by the Russian government or Russian nationals, and determine the need for investment restrictions. Consider the impact of any proposed investment restrictions on fund performance.

Committee on Public Education

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:

    - HB1525 and HB 3 (86R), relating to public school finance and public education;
    - HB 4545, relating to assessment of public school students and providing accelerated instruction;
    - SB 1365, relating to public school organization, accountability, and fiscal management;
    - SB 1716, relating to supplemental special education services and instructional materials for certain public school students; and
    - HB 3906 (86R), relating to the assessment of public school students, including the development and administration of assessment instruments, and technology permitted for use by students.

2. Complete study of assigned charges related to the Texas-Mexico border issued in June 2021.

3. Identify and examine efforts to ensure that parents have a meaningful role in their children's education. Recommend necessary changes in both independent school district board and open-enrollment charter governing board governance to protect the right of parents to participate in their child's education.

4. Examine partnerships between K-12, higher education institutions, and employers that promote postsecondary and career readiness and identify current obstacles that public schools, higher education institutions, and employers face. Make recommendations to ensure career and technical education programs, internships, apprenticeships, and other opportunities are more accessible.

5. Evaluate the impact of the pandemic on the state's teacher workforce, and current practices to improve the recruitment, preparation, and retention of high-quality educators. Explore the impact of the educator preparation program regulatory environment. Make recommendations to improve educator recruitment, retention, and preparation throughout the state. *(Joint charge with Committee on Higher Education)*

6. Study the effects of COVID-19 on K-12 learning loss and best practices that exist to address learning loss. Monitor the implementation of state and local plans to address students' achievement gaps. Make recommendations for supporting the state and local efforts to increase academic development.

7. Examine the impact of COVID-19 on students' mental health, including the availability and workload of mental health professionals across the state and their role in the public school system. Make recommendations to reduce or eliminate existing barriers to providing mental health services in a traditional classroom setting or through teletherapy.

8. Study the unfulfilled recommendations from the 2016 Commission on Next Generation Assessments and Accountability. Evaluate the state's progress on assessments and accountability and consider possible legislation to support the recommendations from the report. Study and recommend measures needed at the state level to prevent unintended

consequences to students, campuses, and districts, including changes that could improve the system for students or help public schools serving a disproportionate number of educationally disadvantaged students impacted by the pandemic.

9. Monitor and analyze the state policy on curriculum and instructional materials used in public schools.

10. Examine the causes and contributors for chronic absenteeism in public schools and its impact on student outcomes. Consider techniques and approaches that have been utilized by public schools to identify students who are chronically absent and return these students to classrooms.

11. Review the impact of investments of the Permanent School Fund by the State Board of Education in businesses and funds owned or controlled by the Russian government or Russian nationals, and determine the need for investment restrictions. Consider the impact of any proposed investment restrictions on fund performance.

Committee on Public Health

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - HB 4, relating to the provision and delivery of telemedicine and telehealth services; and
    - HB 1616, relating to the Interstate Medical Licensure Compact.
2. Complete study of assigned charges related to the Texas-Mexico border issued in June 2021.
3. Study the impact of fentanyl-related overdoses and deaths in Texas. Evaluate existing data collection, dissemination, and mitigation strategies regarding opioid abuse in Texas. Make recommendations to improve coordinated prevention, education, treatment, and data-sharing.
4. Study current telemedicine trends by assessing and making recommendations related to standardizing required documentation healthcare providers must obtain for consent for treatment, data collection, sharing and retention schedules, and providing telemedicine medical services to certain cancer patients receiving pain management services and supportive palliative care.
5. Examine existing resources and available opportunities to strengthen the state's nursing and other health professional workforce, including rural physicians and nurses.
6. Assess ongoing challenges in the rural health care system and the impact of legislation and funding from the 87th regular and special sessions on strengthening rural health care and the sustainability of rural hospitals and health care providers. Evaluate federal regulations authorizing the creation of a Rural Emergency Hospital provider type and determine if promoting this type of facility could increase local access to care in rural areas of the state.

Committee on State Affairs

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - HB 5, relating to the expansion of broadband services to rural areas;
    - HB 1505, relating to attachments for broadband service on utility poles owned by an electric cooperative and establishing and funding a pole replacement program for deployment of certain broadband facilities;
    - SB 2, relating to the governance of the Public Utility Commission of Texas, the Office of Public Utility Counsel, and the Electric Reliability Council of Texas; and
    - SB 3, relating to preparing for, preventing, and responding to weather emergencies and power outages. *(Joint charge with Committee on Energy Resources)*
2. Examine the efforts of power generation facilities to weatherize their facilities.
3. Review the status of projects intended to reduce transmission congestion within the electrical grid.
4. Study the status and adequacy of cybersecurity preparedness among state agencies and contractors. Make recommendations that enhance cybersecurity measures considering evolving threats to Texas' information technology infrastructure.
5. Review the impact of state government procurement of goods and services from businesses and other commercial entities owned or controlled by the Russian government or Russian nationals, and determine the need for restrictions on state government procurement. Consider the impact of any proposed procurement restrictions on state government efficiency and effectiveness and the state's access to scientific and technological advances.

Committee on Transportation

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation, including the following:
    - HB 2219, relating to the issuance of Texas Mobility Fund obligations;
    - HB 3514, relating to the functions of the Texas Department of Motor Vehicles; and
    - HB 3927, relating to temporary motor vehicle tags.
2. Complete study of assigned charges related to the Texas-Mexico border issued in June 2021.
3. Study current and future transportation needs and consider improvements to ensure that Texas is adequately planning for the state's population growth forecasts. Evaluate the impacts of the COVID-19 pandemic on transportation projects and investment decisions.
4. Study the impacts that increased federal funding, formula changes, and new programs authorized in the Infrastructure Investment and Jobs Act will have on state transportation projects. Evaluate strategies to ensure Texas communities can maximize receipt of federal grant funds.
5. Study the impact of the increasing sale and use of electric and alternatively fueled vehicles on revenue predictions for the state highway fund. Recommend a road use revenue equalization methodology to create fairness and parity between gasoline, electric and alternatively fueled vehicles.
6. Study policies impacting truck transportation, a key link in the supply-chain, including utilizing state property and right-of-way for natural gas fueling stations and truck parking, the potential shortage of drivers and sellers of commercial trucks, the shortage of truck parking options to accommodate hours of service regulations, and ways to reduce border crossing wait times. Examine regulatory and statutory impediments to connected vehicle and autonomous technologies aimed at improving the safety and efficiency of trucking in Texas.
7. Examine the ability of the state's seaports to promote the public purposes of state economic growth, diversification, and commerce through development of port-owned properties within their boundaries. Review the investments needed for Texas ports to remain competitive in handling increased cargo volumes and ensuring a resilient supply chain.

Committee on Urban Affairs

1. Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure the intended legislative outcome of all legislation.
2. Evaluate the availability of workforce housing to support the dynamic economic growth of the state. Study the use of public-private partnerships and other tools to incentivize the development of housing that meets Texas' expanding workforce demands. Develop and include measures to ensure accountability and transparency associated with these tools.
3. Review the Municipal Management District Legislative Template with respect to representation and accountability. Make recommendations for improving the template.
4. Study the effects of local governance, planning, and administration on the current state of municipal water and wastewater infrastructure. Examine the measures municipally owned utilities have taken and the costs required to maintain and improve that infrastructure. Make recommendations for cost-effective solutions to ensure reliable infrastructure and uninterrupted municipal utility services, especially during a severe weather event.
5. Study municipal fees with respect to the function of the fee and the relationship of the fee to the cost of providing an associated municipal service. Make recommendations to address municipal fees that are disproportionate or unrelated to the cost of providing the associated service.

Committee on Ways & Means

1. Monitor agencies and programs in the Committee's jurisdiction and oversee the implementation of legislation passed by the 87th Legislature. Actively oversee associated rulemaking and agency actions to ensure the intended legislative outcome of all legislation, including the following:
    - HB 2080 and SB 903, relating to taxpayers' suits;
    - HB 2404, relating to creating and maintaining a database of information regarding certain local economic development agreements;
    - SB 248, relating to the sale of cigarettes, tobacco products, and e-cigarettes;
    - SB 2 (86R - the Texas Property Tax Reform and Transparency Act of 2019) and related property tax reform legislation passed by the 87th Legislature, including HB 1869, HB 2429, HB 2723, and SB 1438; and
    - Legislation relating to reform of the property tax appraisal system, including HB 988, HB 2941, HB 3971, SB 63, SB 916, and SB 1919.
2. Study and consider methods of providing additional property tax relief, including the use of $3 billion in available American Rescue Plan Act funds that were held for future tax relief by the 87th Legislature, and other sources of revenue. Explore options to reduce business property tax burdens and options for limiting the growth of property tax bills.
3. Study Texas' property tax appraisal system and make appropriate recommendations to improve the appraisal system. The study should include:
    - Assessing the accuracy of appraised values and operational effectiveness of appraisal districts;
    - Evaluating methods of selecting chief appraisers, appraisal review boards, and appraisal district directors; and
    - Evaluating existing appraisal protections for taxpayers and ease of taxpayer participation in the appraisal process.
4. Conduct a comprehensive review of the impact of not renewing Chapter 313, Tax Code. Evaluate tax incentives offered by other states and make recommendations for incentivizing manufacturers and other capital-intensive businesses to locate to Texas.
5. Evaluate the impact of shifting to destination sourcing for local sales and use tax purposes, including the benefits of reduced taxpayer confusion. Monitor the implementation of the Comptroller's amendments to 34 Tx. Admin. Code §3.334, relating to local sales and use taxes, and the Comptroller's Sales Tax Rate Locator. Make recommendations for legislation to improve Texas' local sales and use tax sourcing.

Dan Patrick

Lieutenant Governor of Texas
President of the Senate

2022 Interim Legislative Charges:

Border Security Committee
Business & Commerce Committee
Criminal Justice Committee
Education Committee
Finance Committee
Health and Human Services Committee
Higher Education Committee
Local Government Committee
Natural Resources Committee
State Affairs Committee
Transportation Committee
Veterans Affairs Committee
Water, Agriculture, &
Rural Affairs Committee

April 4, 2022

Border Security Committee

- **Funding Impact on Safety**: Monitor the agencies receiving border security funding and report on their success in providing safety along the state's international border as well as curtailing the proliferation of transnational crime that spreads across the state.

- **Community Impact:** Study and report on the impact of Operation Lone Star on border, rural, and urban communities throughout Texas.

- **Resource Allocation:** Examine and report on the impact on members of the Texas National Guard and essential professions that have employees actively serving on state active duty. Review the availability of existing border barrier materials that remain unused by the Federal Government and report on whether Texas may make use of these materials to secure the border.

Business and Commerce Committee

- **Broadband and Telecommunications:** Study broadband and other telecommunications related issues impacting Texans, including:
    - Monitoring the implementation of House Bill 5 and House Bill 1505, 87th Legislature; discuss anticipated federal infrastructure funding dedicated to broadband initiatives;
    - Reviewing the Texas Universal Service Fund and reporting what, if any, changes should be made through a review of both the fund's contributions and disbursements, as well as the impact of technology on the long-term stability of the Texas Universal Service Fund; and
    - Monitoring the implementation of House Bill 2911, 87th Legislature, relating to next generation 9-1-1 service and the establishment of a next generation 9-1-1 service fund.

- **Supply Chains:** Examine the causes and impacts of recent supply chain disruptions on the Texas economy and individual industries. Study the factors that weaken links in the supply chain and the extent the pandemic has exposed those vulnerabilities. Recommend actions to strengthen the supply chain in Texas and mitigate disruptions in the future.

- **Blockchain and Virtual Currencies:** Study current state and federal regulations surrounding blockchain and virtual currencies. Examine how these technologies impact industries such as banking, business, and electricity. Make recommendations to protect consumers while encouraging innovation. Monitor the implementation of House Bill 1576 and House Bill 4474, 87th Legislature.

- **Electricity:** Assess the electricity market in Texas. Study issues impacting the Texas electric grid, including weather preparedness, transmission planning, maintenance scheduling, and the natural gas supply chain. Study the consequences of increased electric vehicle usage and charging on the generation, transmission and distribution, and retail sectors of Electric Reliability Council of Texas (ERCOT) and evaluate their potential impact on increased electric demand and reliability of the grid. Evaluate potential benefits of real-time transparency of the intrastate gas market with respect to the functions of ERCOT and the Texas Energy Reliability Council. Examine the growth of renewable energy generation in the state and evaluate its impact on grid reliability. Make recommendations to strengthen the reliability of the grid, and meet the future generation needs of ERCOT through new and existing dispatchable generation. Assess plans to expeditiously add new dispatchable generation. Monitor the implementation of Senate Bill 2 and Senate Bill 3, 87th Legislature.

- **Cybersecurity:** Review current state and federal laws regarding cybersecurity protections and requirements for local governments, state agencies, and critical industries of our state. Make recommendations for legislation to improve resilience and protection against cybersecurity attacks and ensure the privacy protection of the citizens of Texas.

- **State Workforce**: Study where state employees are located and the benefits and drawbacks of remote working. Evaluate the impact of the potential growth of remote work and proximity of employees to their place of employment on traffic studies over the next 10 years. Study and make recommendations for establishing uniform statewide standards for remote work. Study possible implications and standards for statewide recruitment and employment of remote state employees from all parts of the state.

Criminal Justice Committee

- **Re-entry Programs for Inmates**: Review current offender re-entry programs provided by the Texas Department of Criminal Justice and county jails, and identify barriers to their success. Make recommendations to enhance successful programs to ensure adequate resources and support for released offenders.

- **Criminal Case Backlogs:** Evaluate the current backlog of criminal cases. Consider and recommend ways to reduce delays and ensure timely resolution of cases, including an examination of methods developed by district attorneys, judges, and court administrators.

- **Illegal Temporary License Plates:** Examine and report on the relationship of the unlawful sale and use of temporary paper license plates with crimes related to human trafficking, drug trafficking, theft, and homicide.

- **Automobile Parts Theft (Including Catalytic Converters):** Review the effect of House Bill 4110 (87th Legislature), relating to the registration of metal recycling, and related catalytic converter theft legislation passed by the 87th Legislature. Determine what actions are needed to aid law enforcement and stop catalytic converter theft and its related violence.

- **Public Safety:** Examine the recent Harris County release from custody of hundreds of criminal defendants onto the streets without bond or review by a magistrate. Identify what caused this threat to public safety in Harris County and determine if it has occurred in any other counties in Texas. Make recommendations to ensure criminal defendants are timely brought before a magistrate for probable cause hearings and bond hearings, and that appropriate bond is set.

Education Committee

- **Parent Empowerment:** Review Texas' existing parental rights and responsibilities in current law. Evaluate current public school practices toward parental and community engagement related to: curriculum and learning materials, campus and district management, governance, accessibility to school officials, and data usage and privacy. Make recommendations to enable parents to exert a greater influence on their child's learning environment, including enacting meaningful change at their public school campus or district, and affirm parents as primary decision-makers over their child's schooling options.

- **COVID-19 Pandemic Impact on Educator Talent Pipeline:** Examine the COVID-19 pandemic's impact on the public school educator talent pipeline, staffing patterns and practices, and declining student enrollment and attendance. Review any policies and regulatory actions that prevent students from receiving instruction from a highly effective teacher. Monitor the impact of both the Teacher Incentive Allotment and non-administrator compensation increases directed under House Bill 3 (86th Legislature), as well as the teacher pay raises implemented in 2019. Explore innovative models to improve recruitment and make recommendations to maintain a strong educator workforce pipeline, while adapting resilient school strategies to meet emergent demands in public education.

- **Student Discipline:** Review and evaluate the operation of disciplinary alternative education programs (DAEP) and juvenile justice alternative education programs (JJAEP) with an emphasis on: quality of academic instruction, lengths of placements, physical conditions, administration of student discipline and law enforcement interventions, implementation of positive behavior management strategies, and the availability and delivery of mental health support services. Make recommendations to support and promote the success of these programs and enhance the ability of public schools to meet the needs of students through innovative school discipline models.

- **School Library Advisory Council Review:** Assess current standards adopted by the Texas State Library and Archives Commission, the State Board of Education, and public school policies and practices related to materials in campus libraries or servers. Assess current adoption, placement, and review structures for library materials and make recommendations to ensure: 1) materials are grade, age, and developmentally appropriate; 2) publicly searchable and accessible; and 3) parents and the public are given a prominent role in the process.

- **Vaping in Schools:** Examine the enforcement of current law, which requires school districts to prohibit the use or possession of e-cigarettes, tobacco products, or "vape pens." Determine whether existing practices are effective at preventing vaping or use of other tobacco products on school campuses. Identify methods for schools to determine the contents within vape pens, including whether the pen contains nicotine, THC, or other chemicals. Investigate and report on the impact to student health, and determine if additional policies or laws are needed to protect students' health.

- **Bond Efficiency:** Conduct a comprehensive review of the school district bond issuance process. Specifically, review public notice and disclosure requirements, the bond election process, procurement requirements, and how unused bond proceeds may be utilized. Study the best practices implemented by school boards and make recommendations to improve bond issuance efficiencies.

- **Local Government Exclusion:** Investigate how some cities and counties are prohibiting the expansion of charter schools through local ordinances. Make recommendations to ensure the fair and equitable treatment of charter schools and independent school districts.

- **Homestead Exemption**: Study the use and effect of the optional homestead exemption available to independent school districts. Examine and report on costs to the state if school districts receive incentives to increase the optional percentage exemption.

- **Monitoring:** Monitor the implementation of legislation addressed by the Senate Committee on Education passed by the 87th Legislature, as well as relevant agencies and programs under the committee's jurisdiction. Specifically, make recommendations for any legislation needed to improve, enhance, or complete implementation of the following:
    - Senate Bill 3 (87th Legislature, Second Called Session), Relating to civics training programs for certain public school social studies teachers and principals, parental access to certain learning management systems, and certain curriculum in public schools, including certain instructional requirements and prohibitions;
    - Senate Bill 15 (87th Legislature, Second Called Session), Relating to virtual and off-campus electronic instruction at a public school, the satisfaction of teacher certification requirements through an internship teaching certain virtual courses, and the allotment for certain special-purpose school districts under the Foundation School Program;
    - Senate Bill 1365 (87th Legislature), Relating to public school organization, accountability, and fiscal management;
    - Senate Bill 1716 (87th Legislature), Relating to a supplemental special education services and instructional materials program for certain public school students receiving special education services;

- House Bill 1525 (87th Legislature), Relating to the public school finance system and public education;
- House Bill 4545 (87th Legislature), Relating to the assessment of public school students, the establishment of a strong foundations grant program, and providing accelerated instruction for students who fail to achieve satisfactory performance on certain assessment instruments;
- House Bill 3 (86th Legislature), relating to public school finance and public education; and
- House Bill 3906 (86th Legislature), relating to the assessment of public school students, including the development and administration of assessment instruments, and technology permitted for use by students.

Finance Committee

- **Federal Funds:** Report on the state use of federal COVID-19 relief funds provided under the Coronavirus Aid, Relief, and Economic Security Act, Coronavirus Response and Relief Supplemental Appropriations Act, the American Rescue Plan Act, Infrastructure Investment and Jobs Acts, and similar federal legislation. Examine local use of federal relief funding, including funding provided to school districts through the Elementary and Secondary School Emergency Relief (ESSER) Fund. Evaluate the overall fiscal impact of the COVID-19 pandemic on state agencies, including costs incurred due to federal mandates. Identify barriers to the effective utilization of funds and make recommendations on the expenditure of unappropriated funds. In addition, evaluate and report on the spending by state agencies that have been utilizing "one-time" federal funding (temporary enhancements, e.g. FMAP and ESSER) sources, where federal funding will likely be significantly reduced in future biennia.

- **Property Tax Relief:** Examine and recommend ways to reduce Texans' property tax burden. Review and report on proposals to use or dedicate state revenues in excess of the state spending limit to eliminate the school district maintenance and operations property tax.

- **Inflation:** Review and report on the effect inflation is having on the business community and state government, including state salaries, retiree benefits, the state economy, and cost of state services.

- **Inflation:** Review and report on the impact of inflation on units of local governments' revenue collections and property taxpayers' tax bills, including the homestead exemption.

- **Tax Exemptions:** Examine Texans' current tax exemptions and report on whether adjustments are merited because of inflation or any other factors.

- **Russia Divestiture:** Examine and report on options for state asset owners to divest their positions in companies that invest in the Russian Federation.

- **State Pension Reforms:** Monitor the implementation of recent statewide pension reforms to the Employees Retirement System of Texas and the Teacher Retirement System of Texas.

- **Bail Bond Reform:** Monitor the implementation of recent bail bond reform legislation along with its economic impact on the judicial and correctional system. Assess any barriers to implementation, the law's effect on pretrial release and jail populations, and ways to further promote public safety and efficiency.

- **Operation Lone Star:** Monitor appropriations and spending supporting Operation Lone Star. Evaluate and report on the effectiveness of spending to secure the southern border. Identify and report on resources needed to ensure support for the State National Guard, as well as overall resources necessary for border security for future legislative consideration.

- **Long-term Care Funding**: Examine state investments in the long-term care system. Study nursing facility funding issues and the impact of the pandemic on capacity and delivery of care. Explore nursing facility quality metrics and recommend strategies to improve the sustainability of the long-term care workforce.

- **Medicaid:** Monitor the financial impact of federal decision-making affecting supplemental Medicaid funding for Texas hospitals and health care systems, including negotiations between the Centers for Medicare and Medicaid Services and the Texas Medicaid agency regarding the state's 1115 Medicaid waiver and other federal proposals reducing supplemental funding streams for Texas.

- **Mental Health Delivery**: Examine the state mental health service delivery system. Study the state's Comprehensive Plan for State-Funded Inpatient Mental Health Services and the Statewide Behavioral Health Strategic Plan and evaluate the existing state investments in mental health services and state hospital capacity. Review current forensic and civil mental health service waitlists, and recommend ways to improve coordination and outcomes to reduce waitlists. Explore and report on options for additional mental health service capacity, including building state hospitals in the Panhandle and Rio Grande Valley areas.

Health and Human Services Committee

- **Public Health Data**: Review the processes for public health data collection and coordination by local and state entities as well as regional trauma centers. Identify any continuing barriers to the real-time dissemination of data concerning health care facility capacity—including data that can expedite timely care— and mortality rates, as well as other information that can assist in public policy decisions.

- **Foster Care:** Evaluate state investments in the child welfare system. Examine reasons for delayed implementation of past legislative reforms and any deficient agency performance metrics. Identify ways to continue to improve the child welfare system in Texas and consider other state models to ensure the health and well-being for children in state care.

- **Health Care Workforce**: Study the impact of the global pandemic on the health care workforce in acute and long-term care. Identify health care staffing challenges and examine how staffing services and payment models changed the economics of the health care workforce. Identify and recommend ways to increase the health care workforce pipeline.

- **Pandemic Response**: Examine the impact of state and federal pandemic policies—including agency guidance, licensing and regulatory actions, and health care industry policies—on patient care and treatment delivery. Examine how regulatory guidance impacts the patient-doctor relationship. Recommend any changes needed to ensure Texas can develop its own data-driven guidance during public health emergencies.

- **Monitoring:** Monitor the agencies and programs under the Committee's jurisdiction and oversee the implementation of relevant legislation passed by the 87th Legislature. Conduct active oversight of all associated rulemaking and other governmental actions taken to ensure intended legislative outcome of all legislation.

Higher Education Committee

- **Faculty Tenure:** Review the history of and current statutes and policies of academic tenure in Texas public higher education institutions. Review tenure dismissal policies at higher education institutions in Texas and investigate state policies or proposals that have eliminated tenure. Examine the role of faculty senates in representing faculty interests to the institution administration. Make recommendations to revise current tenure policies, and provide boards of regents with additional authority to review and address issues with tenured faculty. In addition, make recommendations on establishing guidelines for the role and representation of faculty senates at higher education institutions in Texas.

- **Workforce Education:** Evaluate state efforts to support access to work-based learning and microcredential opportunities, including apprenticeships, industry-based certificates and certifications, as well as competency-based education. Assess the potential benefits of expanding access to work-based learning, apprenticeships, microcredentials, and industry-based certifications that are aligned to workforce needs and provide in-demand workforce skills and competencies. Evaluate existing resources and programs at institutions, the Texas Higher Education Coordinating Board, the Texas Education Agency, and the Texas Workforce Commission to support these opportunities and ultimately reach Tri-Agency goals. Consider recommendations to standardize these programs in order increase postsecondary degree completions.

- **Enrollment Trends:** Study the postsecondary enrollment trends across all sectors and levels of higher education in Texas, with a review on specific challenges to enrollment. Consider the impact the COVID-19 pandemic has had on direct high school-to-college enrollment, first-time college enrollment, transferability, and retention rates, as well as the overall impact on community college enrollment. Make recommendations on specific methods to address disparities and pandemic impacts relating to enrollment trends in order to achieve Texas' higher education goals in building a Talent Strong Texas.

- **Strengthening United States History Requirements:** Examine current course requirements for students in United States History, and ensure elements of Critical Race Theory are not currently included in course curriculum. Consider and recommend methods to ensure students receive accurate historical information related to the founding and establishment of the United States. Examine the current role of the Texas Higher Education Coordinating Board in the development and oversight of the core curriculum requirements and recommend any necessary changes. Examine current authority of boards of regents over teaching faculty and make recommendations on changes to law to ensure boards of regents have appropriate approval authority related to course content and instruction.

- **Funding Permanent University Fund:** Review the history and use of the Permanent University Fund for the University of Texas at Austin and Texas A&M University, and explore the creation of a new legacy fund to address the needs of all other higher education institutions in Texas. Make recommendations on methods to streamline other existing research funds and finance research academic institutions in Texas.

- **Teaching and Health Care Workforce Participation**: Review financial aid and scholarship opportunities in Texas related to teaching, health care, and law enforcement, and examine methods to increase participation in these and other high-demand fields. In particular, study the participation rates of the Math and Science Scholars Loan Repayment Program, the Peace Officer Loan Repayment Program, and the Nursing Corps Loan Repayment Program, and make recommendations on ways to increase participation rates in each area.

- **Monitoring:** Monitor the implementation of legislation addressed by the Senate Committee on Higher Education passed by the 87th Legislature, as well as relevant agencies and programs under the committee's jurisdiction. Specifically, make recommendations for any legislation needed to improve, enhance, or complete implementation of the following:
    - Senate Bill 1102, relating to the establishment of the Texas Reskilling and Upskilling through Education (TRUE) Program to support workforce education;
    - Senate Bill 1230, relating to establishing the Texas Commission on Community College Finance;
    - Senate Bill 1385, relating to the compensation and professional representation of student athletes participating in intercollegiate athletic programs at certain institutions of higher education; and
    - House Bill 3767, relating to measures to support the alignment of education and workforce development in the state with state workforce needs, including the establishment of the Tri-Agency Workforce Initiative.

Local Government Committee

- **Property Tax Reform:** Review the effect of Senate Bill 2 (86th Legislature), the Texas Property Tax Reform and Transparency Act of 2019, and related legislation passed by the 87th Legislature. Make recommendations for further property tax reform and relief.

- **Appraisal Reform:** Review the implementation of Senate Bill 63, House Bill 988, and other related legislation passed by 87th Legislature. Make recommendations to ensure appraisal guidelines are effective and taxpayers have enforcement mechanisms.

- **Special Purpose Districts:** Perform a comprehensive study on the powers and purposes of various special purpose districts and their associated legislative templates. Make recommendations to improve public transparency in operations of special purpose districts and associated legislative templates.

- **Affordable Housing:** Study issues related to affordable housing, homelessness, and methods of providing and financing affordable housing. Make recommendations to improve transparency and accountability, as well as to better utilize existing federal, state, and local programs.

- **Bond Elections:** Review and report on voter participation and bond election result differences between November and May elections. Make recommendations for improved voter turnout, increased election efficiencies, and better accountability of local debt.

- **Taxpayer Funded Lobbying:** Study how governmental entities use public funds for political lobbying purposes. Examine what types of governmental entities use public funds for lobbying purposes and what level of transparency is available to the public. Make recommendations to protect taxpayers from paying for lobbyists who may not represent the taxpayers' interests.

- **Efficiency Audits:** Study the concept of efficiency audits for cities, counties and special purpose districts and under what circumstances they should be performed. Evaluate whether efficiency audits provide Texans tools to combat wasteful government spending and report whether they are needed before local government tax ratification elections.

- **Extraterritorial Jurisdictions**: Study issues related to municipal extraterritorial jurisdictions and annexation powers, including examining possible disannexation authority. Determine whether extraterritorial jurisdictions continue to provide value to their residents and make recommendations on equitable methods for disannexation.

- **Ballot Language**: Study the development of the language used for constitutional amendment and local ballot propositions. Recommend changes to make ballot propositions more easily understood by voters.

Natural Resources and Economic Development Committee

- **Economic Development Programs:** Review the programs in Chapters 380 and 381 of the Local Government Code. Consider the benefits of each program in generating economic development. Make recommendations for improvements to Chapters 380 and 381 to increase transparency and accountability and the effectiveness of the programs.

- **Hotel Occupancy Taxes:** Study the collection and use of hotel occupancy taxes. Evaluate and make recommendations related to the effectiveness, costs of rebates, incentives, and other taxes applied to qualified hotel and convention center projects. Investigate and determine whether the creation of a standard Hotel Occupancy Tax legislative template is feasible, and whether it would enable the legislature to more efficiently evaluate proposed Hotel Occupancy Tax bills during the legislative session.

- **Natural Gas Storage:** Study the economic benefits of expanding the state's underground natural gas storage capacity and infrastructure. Investigate and make recommendations for additional natural gas transportation opportunities.

- **Wildfires and Prescribed Burns:** Examine ways to reduce the risk of and destructive impact of wildfires. Monitor the role the Prescribed Burning Board plays in controlled burns. Recommend practices and improvements that public and private landowners may use to reduce fire risks.

- **Monitoring:** Monitor the implementation of legislation addressed by the Senate Committee on Natural Resources and Economic Development passed by the 87th Legislature, as well as relevant agencies and programs under the committee's jurisdiction. Specifically, make recommendations for any legislation needed to improve, enhance, or complete implementation of the following:
    - Senate Bill 13, Relating to state contracts with and investments in certain companies that boycott energy companies;
    - House Bill 1247, Relating to the development of and report on a tri-agency work-based learning strategic framework by the Texas Workforce Commission, the Texas Education Agency, and the Texas Higher Education Coordinating Board;
    - House Bill 1284, Relating to the regulation of the injection and geologic storage of carbon dioxide in this state;
    - House Bill 3973, Relating to a study on abandoned oil and gas wells in this state and the use of the oil and gas regulation and cleanup fund; and
    - House Bill 4110, Relating to the registration of metal recycling.

State Affairs Committee

- **Elections Enforcement**: Evaluate the impact that the Court of Criminal Appeals' ruling in *Stephens v. State* will have on criminal prosecution in Texas. Additionally, study ways in which the Secretary of State's office can respond promptly to reports of Election Code violations. Review the process by which the Secretary of State receives and reports election results, including any internal processes to verify the results reported by county elections administrators. Make recommendations to improve the accuracy and timeliness of election results reported by the Secretary of State on the day of an election. Make recommendations that will allow consistent enforcement of election laws across the state.

- **Elections Administration**: Study how the allocation of polling locations are determined for early voting and election day for counties with and without county-wide voting and report whether current law provides for an equitable distribution. Study the protocols and scheduling of proper maintenance and calibration of election equipment and recommend what is required for maximum efficiency, accuracy, and security. Study the history of a holiday falling within the early voting period and recommend methods to ensure that early voting always has the required number of days and every qualified voter has the opportunity to vote. Study and recommend whether the state should shorten the primary election runoff period in Texas in order to allow voters to know who their candidate is sooner—while remaining in compliance with the federal MOVE Act. Make recommendations to ensure it is easy to vote and hard to cheat.

- **Protecting the Unborn:** Monitor the impact of Senate Bill 8, The Texas Heartbeat Act, and the expanded funding for alternatives to abortion programs passed by the 87th Legislature. Study alternatives to abortion programs' effectiveness in meeting the needs of pregnant and post-partum women and recommend how the Legislature should strengthen the program. Recommend ways to provide additional alternatives to abortion and comprehensive informed consent resources to mothers who are expecting.

- **Human Trafficking**: Examine opportunities and make recommendations to reduce the profitability of and demand for human trafficking in Texas. Determine ways to increase public awareness of the proliferation of human trafficking, as well as resources for victims and survivors. Monitor the implementation of House Bill 1540 (87th Legislature) and examine changes in arrest rates, judicial dispositions, and sentencing amongst offenders due to provisions of the legislation. Examine opportunities for attorneys to combat human trafficking in their local communities, including use of the Deceptive Trade Practices Act, to generate revenue for local law enforcement officials combatting human trafficking. Make any other recommendations to further prevent human trafficking.

- **Public Safety**: Study the impact of how the internal policies of some district and county attorneys' offices to not prosecute certain crimes impact the further occurrence of those crimes and public safety. Examine the methods by which the Texas Legislature may prohibit policies of disregarding duly passed laws and not prosecuting certain crimes. Examine the authority and limits of the Office of the Attorney General to take action in place of a district or county attorney's office that has a policy to disregard the prosecution of certain crimes. Make recommendations to prevent policies of not prosecuting certain crimes to ensure that public safety is maintained. Examine case loads of judges in Texas' largest three counties with a focus on courts who do not hear or seldom hear cases to ensure a fair and equitable division of workload amongst Texas judges. Review pretrial service and bonding practices in Harris and Travis counties. Examine the practice of judges releasing violent and/or habitual offenders pre-trial and the correlating negative impacts on community safety. Monitor the impact of Senate Bill 23 (87the Legislature), the Stop Local Police Defunding bill, to ensure that counties are not reducing the budgets of law enforcement divisions and that effective and efficient enforcement mechanisms are in place. Make recommendations to further close any loopholes in the law.

- **Privacy and Transparency:** Review the current state laws that protect and secure individuals' biometric identifiers. Explore ways to protect against the use of biometric identifiers for unintended purposes without an individual's consent and make recommendations to the Senate. Study websites that closely resemble government websites or fraudulently represent companies that they are not, including websites that use names of state agencies or licenses. Make recommendations to ensure that Texans' are not mislead, taken advantage, or defrauded, especially when they try to seek assistance from a state website.

- **Investment Practices:** Study the investment practices of financial services firms and how those practices affect the state's public pensions. Make recommendations to ensure the state's public pension funds are not being invested to further political or social causes.

Transportation Committee

- **Safety:** Study the contributing factors leading to fatal crashes and make recommendations to prevent and reduce traffic fatalities and serious injuries.

- **Driver's License Efficiency:** Study the Department of Public Safety's driver's license program operations and make recommendations to improve the efficiency of services while maintaining individual privacy and security for Texans.

- **Alternatively Fueled Vehicles:** Review the Texas Department of Transportation's plan for federal funding related to alternatively fueled vehicle infrastructure development. Examine the increase of private and public owned alternatively fueled vehicles registered in the state and make recommendations for road user fee fairness between alternatively fueled vehicles and gasoline and diesel vehicles.

Veteran Affairs Committee

- **State Veteran Cemeteries:** Evaluate the current oversight of the Texas State Veteran Cemeteries to ensure that these sacred and essential grounds are being maintained, repaired, and treated with respect. Ensure that the needs of our veterans are being met by reviewing the number, location, and funding of the cemeteries. Examine and make recommendations for the financing mechanism for the Texas State Veterans Cemeteries to ensure sustainability.

- **Veteran Benefits:** Explore and report on options to remove barriers for companies offering veteran benefits and consider policies that could leverage additional public-private-partnerships. Identify opportunities to connect veterans to existing business resources and available state services. Recommend ways to increase matching federal funding for veteran benefits. Review current law for consistency in eligibility for state veteran benefits and recommend any necessary changes.

- **Veteran Mental Health:** Review the currently accepted forms of treatment for Post Traumatic Stress Disorder (PTSD) and consider the creation of a program which would require completion of a multi-modality treatment plan including traditional talk therapy, limbic system therapy, cognitive behavioral therapy (CBT), and emotionally focused individual therapy (EFIT).

- **Veteran Mental Health:** Identify the training and resources available to urban and rural first responders when assisting veterans experiencing a mental health crisis. Make recommendations for how to best support first responders in these crisis situations.

Water, Agriculture, and Rural Affairs Committee

- **Water Utility Infrastructure**: Evaluate the state's water infrastructure. Study and make recommendations on options to upgrade and update water infrastructure to address deferred maintenance, disasters, and water loss.

- **Water Supply:** Review and make recommendations to complete specific projects identified in the 2022 State Water Plan. In light of recent changes to the global economy, consider the current regulatory process regarding innovative technology solutions to water supply needs, such as marine desalination, and make recommendations for their improvement.

- **Groundwater Management and Protection:** Evaluate the status and effectiveness of the State's groundwater management process, including data used to support regional water planning and conservation goals. Report on the effectiveness of the State's groundwater protection efforts and whether statutory changes are needed to protect groundwater quality.

- **Rural Employment:** Study and make recommendations on rural small business development and workforce needs. Consider and recommend innovative methods for business development in rural parts of the state.

- **Daylight Savings Time:** Examine and report on how permanently maintaining daylight savings time impacts the agricultural community.

- **Rural Immigration:** Consider the Federal government's open border policies and practices of releasing illegal immigrants in rural areas of the state. Report on the impact to rural Texas, and their local ability to address social, health, and law enforcement needs.

- **Meat Packing Facilities:** Study the need for additional meat packing facilities in Texas. Evaluate and report on the increased cost to Texas ranchers and revenue lost in the Texas economy when meatpacking facilities are utilized outside of Texas.

- **Agricultural Theft:** Study the impact of cattle theft on farming and ranching operations throughout Texas and recommend cost-effective measures to mitigate loss and increase security.

- **Monitoring:** Monitor the implementation of legislation addressed by the Senate Committee on Water, Agriculture, and Rural Affairs passed by the 87th Legislature, as well as relevant agencies and programs under the committee's jurisdiction. Specifically, make recommendations for any legislation needed to improve, enhance, or complete implementation of the following:
    - Senate Bill 8 (86th Legislature), Relating to state and regional flood planning;
    - Senate Bill 601 (87th Legislature), Relating to the creation and activities of the Texas Produced Water Consortium;
    - Senate Bill 905 (87th Legislature), Relating to guidance on the regulations applicable to the potable reuse of wastewater; and
    - House Bill 3516 (87th Legislature), Relating to the regulation of the recycling of fluid oil and gas waste.

Thursday, April 28, 2022

Annual 2021 NAIC Filing for Community Health Choice, Texas

April 12, 2022

Presentation of the Annual 2021 NAIC filing for Community Health Choice, Texas.

The following statutory financial statements were filed with the Texas Department of Insurance and NAIC for the ***year ending December 31, 2021:***

Key Financial Metrics:

Net Income:	**$43.2M**
Capital:	**$252.0M**
Actual RBC:	**644%**

Membership:

As a result of extended eligibility and delayed member terminations by HHSC due to the COVID-19 pandemic, average membership in 2021 was 353,984, which was favorable to 2020 by approximately 54,600 members.

Premium:

Net premium increased $147.8M in 2021 from $1.2B resulting in a year end premium of $1.3B. This increase was driven by the increased membership (discussed above).

Medical Claims Expense:

Medical claim expense of $1.0B was a $229.4M increase compared to the prior year. Claims expense increased from prior year was the result of utilization beginning to normalize back to pre-COVID 19 norms.

Pharmacy Claims Expense:

Pharmacy expense of $104.9M was an increase of approximately $12.5M when compared to 2020. This was a result of increased utilization, driven by Vyvanse (ADHD), Ciprodex (ear infections), and Proair (Asthma). Pharmacy expense is still below Pre-COVID 19 trends.

Medical Loss Ratio: 86.7%

Action: For informational purposes, no action required.

BOARD OF TRUSTEES

Meeting of the Board of Trustees

HARRISHEALTH SYSTEM

Thursday, April 28, 2022

Annual 2021 NAIC Filing for Community Health Choice, Inc.

April 12, 2022

Presentation of the Annual 2021 NAIC filing for Community Health Choice, Inc.

The following statutory financial statements were filed with the Texas Department of Insurance and NAIC for the ***year ending December 31, 2021:***

Key Financial Metrics:

Net Income:	**($14.5M)**
Capital:	**$77.9M**
Actual RBC:	**269%**

Membership:

Average membership in 2021 was 82,495, which was a decrease from 2020 of approximately 11,750 members.

Premium:

Net premium of $791.5M was an increase when compared with $700.0M in 2020 due to acuity of members which drove an increase to risk adjustment and the enrollment of special enrollment period (SEP) members.

Medical Claims Expense:

Medical claim expense of $587.6M was a $85.6M increase compared to the prior year. The members gained during the SEP were higher cost member which drove this unfavorable variance.

Pharmacy Claims Expense:

Pharmacy expense was $126.1M which was an increase of approximately $10.6M when compared to 2020. Pharmacy expense continues to be driven by Humira and Enbrel (rheumatoid arthritis), Biktarvy (HIV), as well as Stelara (Multiple Myeloma).

Medical Loss Ratio: 90.17%

Action: For informational purposes, no action required.

BOARD OF TRUSTEES

Meeting of the Board of Trustees

HARRISHEALTH SYSTEM

Thursday, April 28, 2022

Harris Health System Council-At-Large Meeting Minutes

MINUTES OF THE HARRIS HEALTH SYSTEM COUNCIL AT LARGE COMMITTEE
March 14, 2022

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
I. Call to Order	The WebEx meeting was called to order by Fadine Roquemore at 5:00pm. ***Council Members in Attendance:*** • Acres Home: Sheila Taylor • Baytown: Pamela Breeze, Don Nichols, Winston Lewis • Gulfgate: Teresa Recio, Pat Shephard • LBJH: Velma Denby • MLK: Fadine Roquemore • Thomas Street: Josh Mica, Tana Pradia • Vallbona: Cynthia Goodie ***Harris Health System Attendees:*** Dr. Esmaeil Porsa, Louis Smith, Heena Patel, David Attard, Sunny Ogbonnaya, Jon Hallaway, Dr. Alexander Laceras, Lady Barrs, Andrea Kennedy-Tull, Xylia Rosenzweig, Leslie Gibson, David Riddle, Maria Cowles, Sarah Rizvi, Craig Johnson, Amineh Kostov, Dwanika Walker, Nina Jones, Angelique Martinez ***Board Members in Attendance:*** Professor Marcia Johnson, Elena Marks, Alicia Reyes	
II. Moment of Silence	Moment of silence observed.	
III. Approval of Minutes	The minutes from February 14, 2022 were approved as read.	
IV. Old Business	No Old Business to review.	
V. Council Reports	**Acres Home – Sheila Taylor** • No new issues. **Baytown – Don Nichols/Pamela Breeze** • Baytown is doing nicely during these COVID times. We are staying caught up. • Proud of Baytown Council members. • In the future we will start recruitment from patient clientele. We will also be reviewing our guidelines.	

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	Council Reports *(continued)* • Our new Psychiatrist will be starting soon. • Held the 1st Council meeting as Vice President which was very informative. The people who serve on the council are very active and I look forward to working with them. **Casa de Amigos – Daniel Bustamante (Absent due to Family Emergency)** **Gulfgate – Teresa Recio** • Held first council meeting and nominated officers for 2022-2024. They are; Re-elected Chairperson – Teresa Recio Vice Chairperson – Pat Shephard Secretary – Norma Gonzales Parliamentarian – Maria Bolanos -There were 5 council member and 5 Harris Health staff members in attendance. -Leslie Bradley reported: DNV Healthcare Accreditation surveyors are expected to be onsite soon to perform a full survey of Harris Health System. -Vacant position 1 Family Practice. **Homeless – No representative.** **Martin Luther King – Fadine Roquemore** • Members of MLK Council have been contacted. We have several who are ill or unable to reach due to telephone numbers. -The Council first meeting will be on tomorrow. I'm expecting at least 3 or 4 in attendance. I've reached out to older members who sound favorable in coming back. -MLK will be one of the major clinics that will do major things. **Northwest – No representative.**	

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	Council Reports *(continued)* **Thomas Street – Josh Mica** • Held our Council meeting last month. Re-elected Chairman – Josh Mica Re-elected Vice Chairperson – Tania Pradia Secretary – Sallye Stapleton Treasurer – Dan Lindquist • Thomas Street received funds for Thanksgiving. • I will be reaching out to the Pride Group to see if they are willing to volunteer Easter Sunday for our Bunnies on the Bayou event. -The Bunnies on the Bayou is one of our major sponsors for the Sandwich program that is offered at Thomas Street. Their grant gives us 70% of our total funds for the year. -I am putting it out there for anyone who would like to volunteer on Easter Sunday. It is a great program and we have lots of fun for a great cause. Please contact me at 832-573-7274 or email me at josh.mica@pm.me **Vallbona – Cynthia Goodie** • The numbers are low across the board. I was told last week we will be going back in the clinic. I feel we should start recruiting patients that are interested in the Council. Hopefully, after the clinic reopens and people are sure their health is safe the numbers should get better. **Ben Taub Hospital – No Representative.** **Lyndon B. Johnson Hospital – Velma Denby** • Still collecting information and working with Administrators to convey a little insight on improving the scheduling process.	

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
VI. Administration	**Esmaeil Porsa, President & CEO** • On March 1st we announced Victoria Nikitin as our new Chief Financial Officer. Mr. Mark Norby who was our CFO has step down and currently works part-time consulting for Harris Health System. • On today, I announced Mr. Omar Reid has been promoted to Executive Vice President of Human Resources and Chief People Officer. He will continue his leadership, this is just an expansion of his responsibilities. • With regards to COVID, our numbers are really good. We have less than 15 COVID patients across Harris Health System and less than 5 ICU patients across Harris Health System. • Happy to report in late February, Ben Taub began using their second MRI Machine to meet inpatient and outpatient needs. This will take care of some of our backlog with regards to MRI Studies. -LBJ celebrated receiving a brand new MRI Machine at its campus as well. -Smith Clinic there's going to be a new technology upgrade that will help our cancer patients who are receiving radiation therapy. **Questions/Comments** – None **Louis Smith, Chief Operating Officer** • Looking forward to working with you Mrs. Roquemore and other leaders of the Council At Large as we move forward in months ahead. Having opportunities to be more connected (in person) with the members of this council and the clinic council and how we ensure that engagement together as we look to connect with our community. **Questions/Comments** – None	

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	Administration *(continued)* **Heena Patel Interim VP of Ops/Associate Administrator of ACS on behalf of Dr. Jennifer Small, Interim Executive Vice President/Administrator** • ACS discontinued drive-through COVID testing due to extremely low utilization. However, we have implemented face to face visits for PUI patients and we are offering COVID testing to patients that qualify. • Pathway to Excellence Designation; ACS Nursing is pursuing this designation from ANCC. It's a program that has national recognition of positive practice environment for nursing staff. It focuses on quality. We held a kickoff event on February 25, 2022 and are on track to submit our application of intent to ANCC in spring of 2022 with a designation on track for 2023. **Questions/Comments** – None. **David Attard, Associate Administrator, Engineering Administration** • We received approval on our permit to temporarily close Harrington street at Casa de Amigos during demolition and construction. It is planned to begin in early May for about 20 months or so of that project. Shortly after that, we will wait (about six months) to see how it's going and then work with the City on potentially permanent closure of the street. **Questions/Comments** • Mrs. Roquemore asked is there anything being done about the truck traffic? *Mr. Attard responded it is out of our control. But the ability to close the street down in front of the clinic for the period of construction (about 20 months) will help. The traffic will be rerouted to an alternate route. During the construction process itself, prior to alleviation of the temporary hold. We will work with the City of Houston to see if were able to get permanent closure. We are hopeful at this point.*	

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	Administration *(continued)*	
	Sunny Ogbonnaya, Director, Ambulatory Pharmacy • In the month of February, we filled 155,692 prescriptions. 76% of them (125,857) were delivered to patients homes. *We thank all of our patients who have given us the opportunity to provide this home delivery service.* We received and processed 33,080 prescription refill request from MyHealth. This number represents 58% of all refill request in the month of February. *We thank our patients for using MyHealth when requesting their refills.* **Questions/Comments** – None.	
	Jon Hallaway, Program Director, Depart of Public Safety • Reported it's been a quiet month. We are glad the COVID pandemic responses are finally lighting up so that we can all go back to normal. Good news for all of us! **Questions/Comments** – None.	
	Omar Reid, Senior Vice President, Human Resources • Out of the office.	
VII. Community Medicine	**Dr. Alexander Laceras on behalf of Dr. Matasha Russell, Chief Medical Officer** ***Primary Care Operations Scorecard February 2022 (see attached)*** • Medical Home No-Show – goal met • Overall No Show Rate – goal met • FP Average Cycle Time – goal met for the last three months. • 3rd Available OB New/Return Visits – goal met.	20220323125206254.pdf

MINUTES OF THE HARRIS HEALTH SYSTEM COUNCIL AT LARGE COMMITTEE
March 14, 2022

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	Community Medicine ***(continued)*** ***HEDIS Scorecard Data Reporting Period February 2022 (see attached)*** • ACS Ambulatory Service is really working hard. With regards to Colorectal Cancer Screening, HbA1c Poor Control are those patients that are greater than 9% as well as High Blood pressure control. • We are meeting goals for; Breast Cancer Screening, Cervical Cancer Screening, Pediatric and Adolescents Prevention and Screening Measure. We need help from everyone with Controlling High Blood Pressure for our Hypertension patients. We're trying to develop corrective action plan for all clinics to improve our scores. **Questions/Comments** – None.	 20220323125200902 .pdf
VIII. New Business	**Center Council** • Pamela Breeze stated a lot of the COVID sites for testing are closing down. I think we should inform our clients they can order COVID test from the government. It is being advertised all over television and it's free. Mrs. Roquemore responded we are a part of the health system and we're concerned about saving lives and making life better. Please share the information you've been given with others. • Mrs. Recio request copies of By-Laws to be onsite so that it can be reviewed with the new members. She commented, there are some sites that don't have By-Laws. • Members expressed that the March packets received in the mail were not properly sealed.	Mrs. Roquemore said she will talk with Dr. Small and see what can be done. Mr. Smith stated we will make the necessary adjustments.

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	New Business *(continued)* **Board Member – Alicia Reyes** • Mrs. Reyes stated she's glad the meeting went well and quick. Everyone had an opportunity to report. I'm sure Dr. Small and Mr. Smith will take care of the problem with the mail. Again, thanks to everyone on the call. I'm happy to know there's going to be some in-person meetings. There's a lot going on and I think Dr. Porsa and the staff will have some exciting things going on in the coming months. Thank you again for your input and for the time you take to tell us what's on your mind and what is going on in your Communities. **CAL Parliamentarian** • Mrs. Roquemore appointed Mrs. Teresa Recio as the Parliamentarian.	
IX. Adjournment	**The meeting adjourned at 5:50pm**	**Next Meeting: April 11, 2022**

Thursday, April 28, 2022

Review and Acceptance of the Following Report(s) for the Health Care for the Homeless Program (HCHP) as Required by the United States Department of Health and Human Services, which Provides Funding to the Harris County Hospital District d/b/a/Harris Health System to Provide Health Services to Persons Experiencing Homelessness under Section 330(h) of the Public Health Service Act

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Operational Update for Review and Discussion

- **HCHP April 2022 PowerPoint**

Attached for consideration of approval:

- **2021 Service Area Analysis**
- **2021 Annual Risk Management Report**
- **2021-2022 Consumer Advisory Council Report**

Administration recommends that the Board approves the Health Care for the Homeless Program Reports as required by the United States Department of Health and Human Services which provides funding to the Harris County Hospital District d/b/a/ Harris Health System to provide health services to persons experiencing homelessness under Section 330 (h) of the Public Health Service Act for the Homeless Program.

HARRIS HEALTH SYSTEM

Health Care for the Homeless
Monthly Update Report – April 2022

Jennifer Small AuD, MBA, CCC-A, Interim Executive Vice President, Ambulatory Care Services

Tracey Burdine, Director, Health Care for the Homeless Program

Agenda

- Operational Update
  - Patient Services
  - Risk Management Report
  - Consumer Advisory Council Report
  - Service Area Analysis

HARRISHEALTH SYSTEM

Patients Served

Telehealth Visits

- Telehealth New Patients: 13
- Telehealth Return Patients: 55

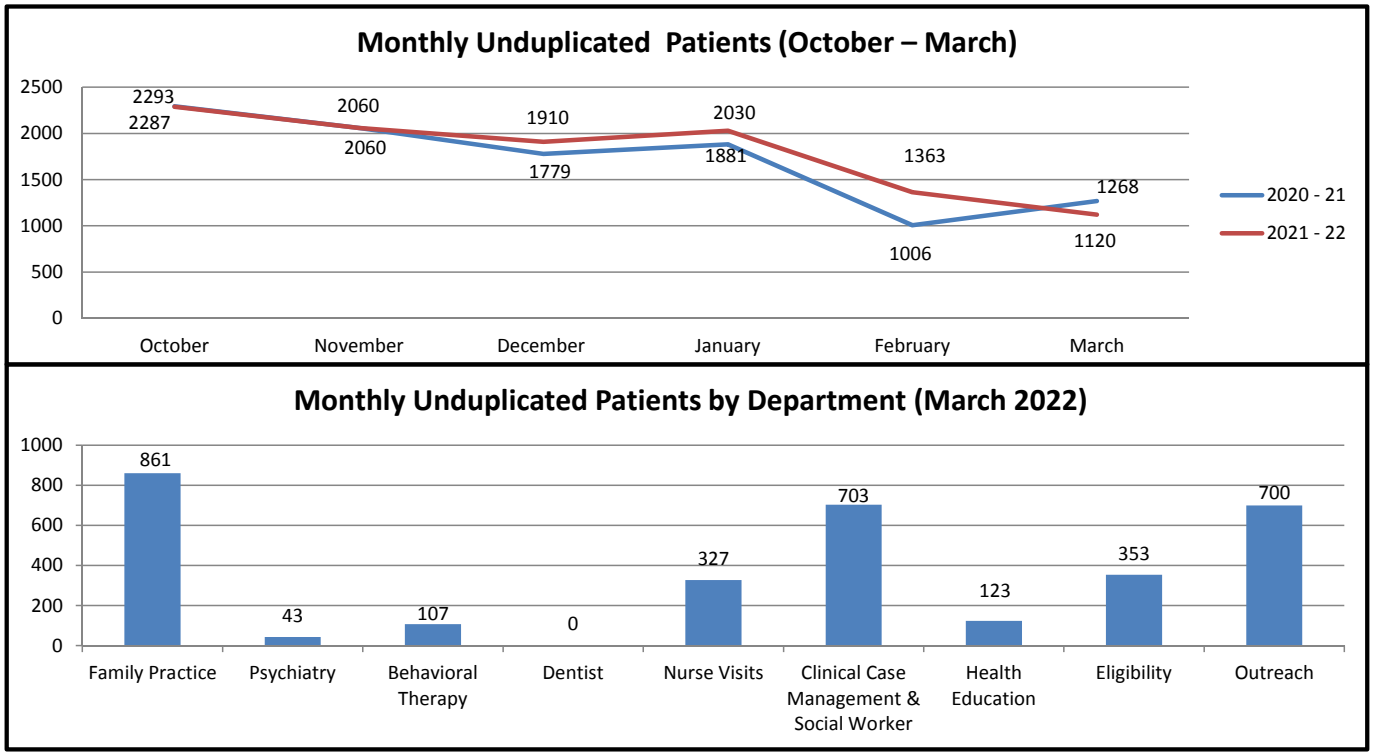
New Patient Visits

- Adult New Patients: 336
- Pediatric New Patients: 24

HRSA Target: 9,775

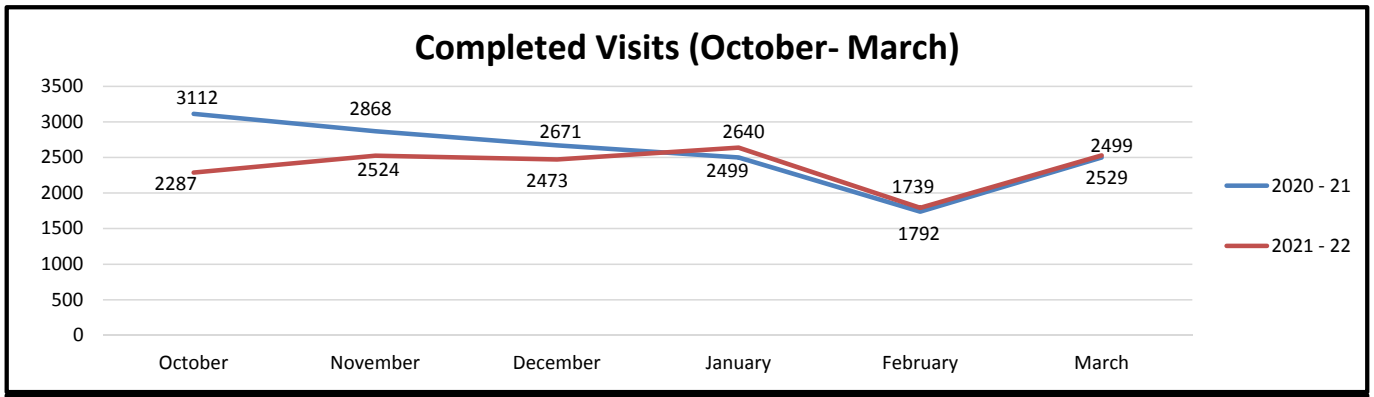
- Unduplicated Patients: 2335
- Total Complete Visits: 6054

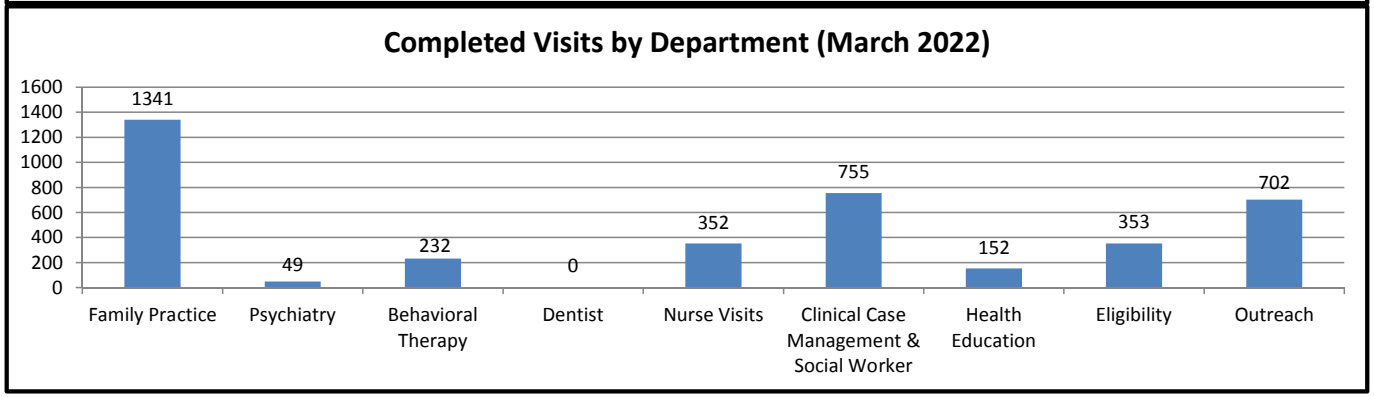
Operational Update



Mobile Dental Unit services suspended due to vehicle maintenance

Operational Update





Mobile Dental Unit services suspended due to vehicle maintenance.

Operational Update

HCHP 2021 Risk Management Report

As a community health center (CHC) funded by the Health Resources and Services Administration (HRSA) the Harris Health System Health Care for the Homeless Program (HCHP) is required to have a governing board that maintains appropriate authority and oversees the operations of the program. This annual risk management report informs the board of risk management activities during 2021.

Risk Management Activities for 2021:

- Completed annual health care risk management training for health center staff.
- Revised invoicing process
- Participation of HCHP in the Harris Health Safety Committee.
- HCHP management met quarterly with shelter management to address risk management and safety concerns in addition to productivity and performance improvement strategies.
- Monthly chart audits completed by MDs and by the quality assurance coordinator.
- Monthly review of medication reconciliation reports.
- Monthly Compliance and Performance Improvement Committee meetings.
- Weekly risk management assessments conducted such as:
  - Infection Prevention Assessment
  - Environmental Care Rounds
  - Safety Monitoring
  - Hand Hygiene Inspections.

HARRISHEALTH SYSTEM

Operational Update

Highlights of Council Activities
December 2021 – February 2022

- Council Chairperson, Jonathan Oxley, provided updates to the council about items discussed at the At-Large Consumer Advisory Council meeting.

- The council was informed that HCHP received a Health Resources and Services Administration notice of award, based on the submitted service area competition application, for funding for a three year project period from January 01, 2022 – December 31, 2024, for $4,072,084 for each year.

- Members were informed that the medical and immunization mobile units were vandalized and had their catalytic converters stolen, which would affect availability of services.

- A council members requested that a flyer be created to promote availability of services.

HARRISHEALTH SYSTEM

Operational Update

Service Area Analysis

At the end of every calendar year, Federally Qualified Health Centers (FQHCs) are required to report patient utilization, including zip code of residence and primary payor for services. This report highlights the key findings of the service area analysis covering the reporting period from January 1, 2021 to December 31, 2021.

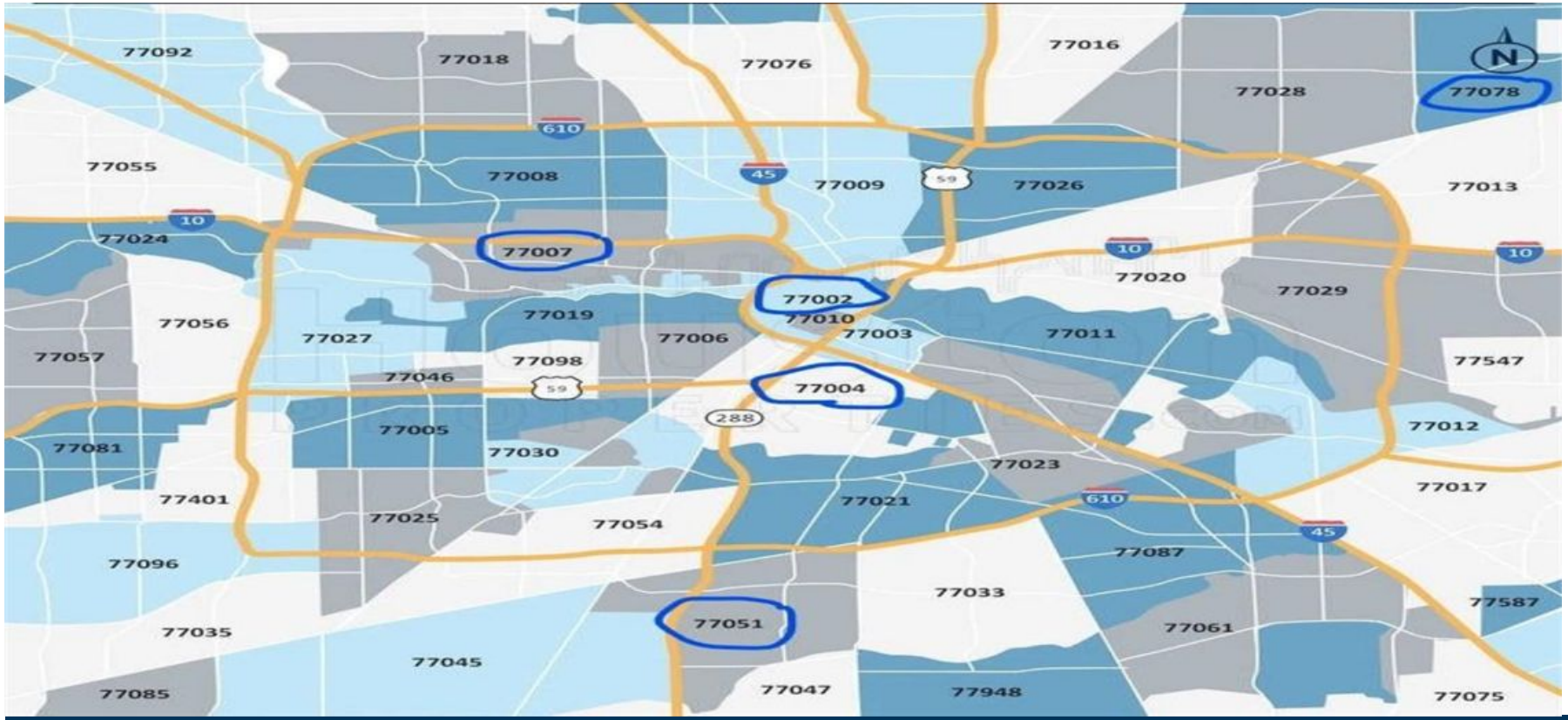
- The clinics are located in the majority of areas where people experiencing homelessness congregate, primarily in Downtown Houston
- The top four zip codes are areas where HCHP continues to provide primary care services:
  - 77051 (Star of Hope Cornerstone)
  - 77002 (Downtown area/multiple clinics)
  - 77007 (Salvation Army Adult Rehabilitation and Harmony House)
  - 77004 (Lord of the Streets)

- The fifth zip code is where Ben A Reid Community Correctional Facility is located.
  - 77078 (East Houston area/Ben A Reid Community Correctional Facility)

- HCHP is the dominant health center, based on 2020 UDS Mapper data for the following zip codes:
  - 77002
  - 77004
  - 77007
  - 77018
  - 77051

HARRISHEALTH SYSTEM

Operational Update



BOARD OF TRUSTEES

Meeting of the Board of Trustees

HARRISHEALTH SYSTEM

Thursday, April 28, 2022

Consideration of Approval of HCHP 2021 Service Area Analysis

BHCMIS ID: 061600 - HARRIS COUNTY HOSPITAL DISTRICT, Houston, TX

Date Requested: 03/03/2022 7:32 AM EST

Program Name: Health Center 330

Date of Last Report Refreshed: 03/03/2022 7:32 AM EST

Submission Status: Change Requested

UDS Report - 2021

Patients by ZIP Code

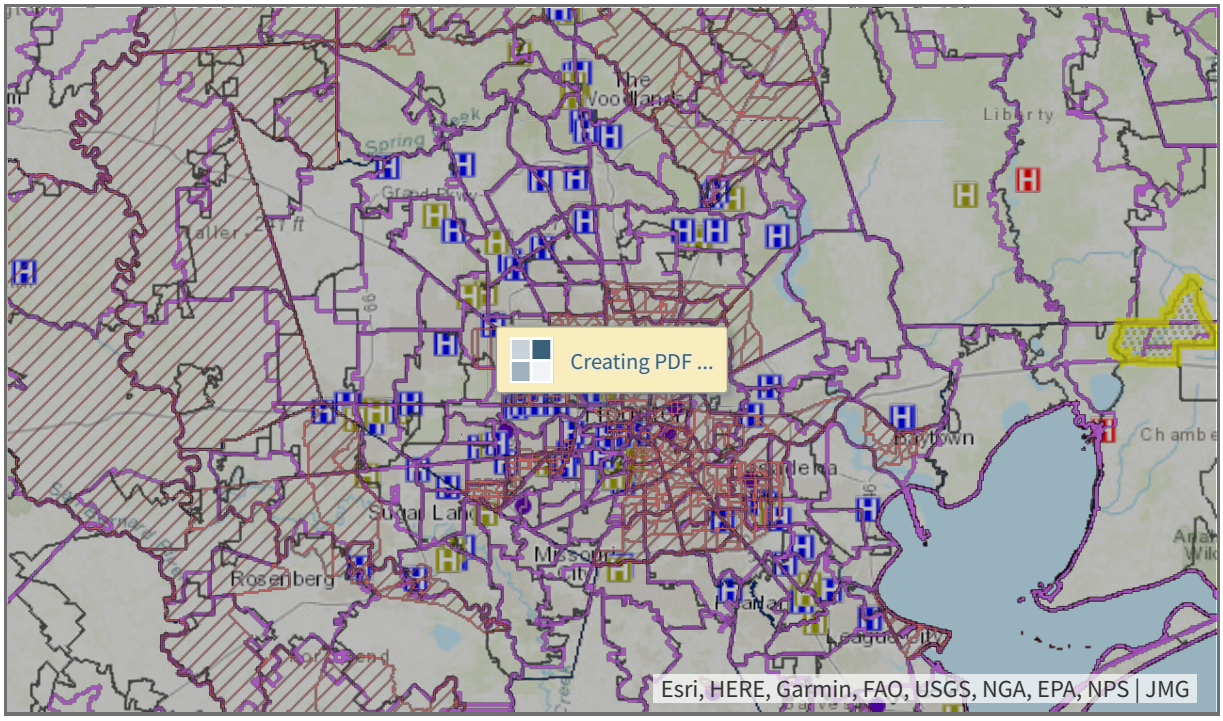
ZIP Codes

ZIP Code (a)	None/Uninsured (b)	Medicaid/CHIP/Other Public (c)	Medicare (d)	Private (e)		Total Patients (f)
77002	373	0	12	11	=	396
77003	81	10	6	0	=	97
77004	304	0	7	0	=	311
77005	2	0	0	0	=	2
77006	12	0	0	0	=	12
77007	329	0	0	0	=	329
77008	7	0	0	0	=	7
77009	62	0	0	0	=	62
77011	165	0	0	0	=	165
77012	11	0	0	0	=	11
77013	20	0	0	0	=	20
77014	8	0	0	0	=	8
77015	24	0	0	0	=	24
77016	41	0	0	0	=	41
77017	17	0	0	0	=	17
77018	51	0	0	0	=	51
77019	13	0	0	0	=	13
77020	36	0	0	0	=	36
77021	56	0	0	0	=	56
77022	38	0	0	0	=	38
77023	28	0	0	0	=	28
77024	1	0	0	0	=	1
77025	3	0	0	0	=	3
77026	54	0	0	0	=	54
77028	31	0	0	0	=	31
77029	8	0	0	0	=	8
77030	53	0	0	0	=	53
77031	7	0	0	0	=	7
77032	9	0	0	0	=	9
77033	20	0	0	0	=	20
77034	67	0	0	0	=	67
77035	18	0	0	0	=	18

ZIP Code (a)	None/Uninsured (b)	Medicaid/CHIP/Other Public (c)	Medicare (d)	Private (e)		Total Patients (f)
77036	20	0	0	0	=	20
77037	4	0	0	0	=	4
77038	7	0	0	0	=	7
77039	14	0	0	0	=	14
77040	15	0	0	0	=	15
77041	55	0	0	0	=	55
77042	13	0	0	0	=	13
77043	2	0	0	0	=	2
77044	7	0	0	0	=	7
77045	15	0	0	0	=	15
77046	1	0	0	0	=	1
77047	11	0	0	0	=	11
77048	20	0	0	0	=	20
77049	11	0	0	0	=	11
77050	17	0	0	0	=	17
77051	382	75	18	0	=	475
77052	1	0	0	0	=	1
77053	10	0	0	0	=	10
77054	18	0	0	0	=	18
77055	64	0	0	0	=	64
77056	4	0	0	0	=	4
77057	10	0	0	0	=	10
77058	1	0	0	0	=	1
77059	2	0	0	0	=	2
77060	17	0	0	0	=	17
77061	25	0	0	0	=	25
77062	1	0	0	0	=	1
77063	33	0	0	0	=	33
77064	8	0	0	0	=	8
77065	9	0	0	0	=	9
77066	7	0	0	0	=	7
77067	12	0	0	0	=	12
77068	5	0	0	0	=	5
77069	3	0	0	0	=	3
77070	9	0	0	0	=	9
77071	8	0	0	0	=	8
77072	16	0	0	0	=	16
77073	13	0	0	0	=	13
77074	12	0	0	0	=	12
77075	12	0	0	0	=	12
77076	15	0	0	0	=	15
77077	7	0	0	0	=	7
77078	233	0	0	0	=	233
77079	2	0	0	0	=	2
77080	14	0	0	0	=	14

ZIP Code (a)	None/Uninsured (b)	Medicaid/CHIP/Other Public (c)	Medicare (d)	Private (e)		Total Patients (f)
77081	13	0	0	0	=	**13**
77082	5	0	0	0	=	**5**
77083	12	0	0	0	=	**12**
77084	14	0	0	0	=	**14**
77085	4	0	0	0	=	**4**
77086	4	0	0	0	=	**4**
77087	62	0	0	0	=	**62**
77088	28	0	0	0	=	**28**
77089	7	0	0	0	=	**7**
77090	33	0	0	0	=	**33**
77091	37	0	0	0	=	**37**
77092	32	0	0	0	=	**32**
77093	62	0	0	0	=	**62**
77094	1	0	0	0	=	**1**
77095	3	0	0	0	=	**3**
77096	5	0	0	0	=	**5**
77098	4	0	0	0	=	**4**
77099	10	0	0	0	=	**10**

UDS Mapper Printout



Facility and Point Health Professional Shortage Areas (HPSAs)	Comprehensive Health Center HCP Look-Alike Rural Health Clinic Indian Health Service Facility Alaskan Native Tribal Population Native American Tribal Population
Hospitals	Short Term Hospital Critical Access Hospital Other Hospital
States	
Counties	
ZCTAs	
ZIP Codes	
Medically Underserved Areas/Populations (MUA/P)	MUA MUP Governor Designated
	Selected ZCTAs

Annotations area

ZCTA	Post Office Name	State	HCP: Health Center Count (Combined) 2020	HCP: Dominant Health Center 2020	Pop: Total (#) 2015-2019	Pop: Low-Income (#) 2015-2019
77365	Porter	TX	8	LONE STAR COMMUNITY HEALTH CENTER, INC.	36,755	10,865
77373	Spring	TX	9	LONE STAR COMMUNITY HEALTH CENTER, INC.	61,501	16,582
77375	Tomball	TX	8	LONE STAR COMMUNITY HEALTH CENTER, INC.	55,759	12,044
77377	Tomball	TX	5	LEGACY COMMUNITY HEALTH SERVICES, INC.	38,469	7,087
77379	Spring	TX	6	LONE STAR COMMUNITY HEALTH CENTER, INC.	81,368	11,857
77380	Spring	TX	3	LONE STAR COMMUNITY HEALTH CENTER, INC.	25,761	6,064
77386	Spring	TX	6	LONE STAR COMMUNITY HEALTH CENTER, INC.	57,421	7,597
77388	Spring	TX	6	LONE STAR COMMUNITY HEALTH CENTER, INC.	50,701	8,750
77389	Spring	TX	3	LONE STAR COMMUNITY HEALTH CENTER, INC.	38,222	5,413
77396	Humble	TX	7	LEGACY COMMUNITY HEALTH SERVICES, INC.	58,396	15,685
77401	Bellaire	TX	3	SAINT HOPE FOUNDATION	19,372	1,270
77423	Brookshire	TX	5	FORT BEND FAMILY HEALTH CENTER, INC.	12,377	3,952
77429	Cypress	TX	5	LEGACY COMMUNITY HEALTH SERVICES, INC.	88,628	11,838

ZCTA	Post Office Name	State	HCP: Health Center Count (Combined) 2020	HCP: Dominant Health Center 2020	Pop: Total (#) 2015-2019	Pop: Low-Income (#) 2015-2019
77433	Cypress	TX	6	SPRING BRANCH COMMUNITY HEALTH CENTER	90,657	13,399
77445	Hempstead	TX	5	BRAZOS VALLEY COMMUNITY ACTION AGENCY, INC.	14,200	7,454
77447	Hockley	TX	5	BRAZOS VALLEY COMMUNITY ACTION AGENCY, INC.	16,246	4,187
77449	Katy	TX	10	SPRING BRANCH COMMUNITY HEALTH CENTER	128,294	34,183
77450	Katy	TX	5	SPRING BRANCH COMMUNITY HEALTH CENTER	73,692	10,981
77477	Stafford	TX	5	FORT BEND FAMILY HEALTH CENTER, INC.	35,830	11,372
77484	Waller	TX	4	BRAZOS VALLEY COMMUNITY ACTION AGENCY, INC.	10,875	3,231
77489	Missouri City	TX	8	FORT BEND FAMILY HEALTH CENTER, INC.	38,242	11,344
77493	Katy	TX	7	SPRING BRANCH COMMUNITY HEALTH CENTER	36,334	7,556
77494	Katy	TX	6	FORT BEND FAMILY HEALTH CENTER, INC.	118,291	11,963
77502	Pasadena	TX	7	PASADENA HEALTH CENTER	38,199	16,871
77503	Pasadena	TX	5	LEGACY COMMUNITY HEALTH	24,808	10,623

ZCTA	Post Office Name	State	HCP: Health Center Count (Combined) 2020	HCP: Dominant Health Center 2020	Pop: Total (#) 2015-2019	Pop: Low-Income (#) 2015-2019
				SERVICES, INC.		
77504	Pasadena	TX	6	PASADENA HEALTH CENTER	24,954	9,852
77505	Pasadena	TX	4	LEGACY COMMUNITY HEALTH SERVICES, INC.	24,223	5,240
77506	Pasadena	TX	8	PASADENA HEALTH CENTER	38,765	21,955
77507	Pasadena	TX	0	null	312	123
77520	Baytown	TX	7	LEGACY COMMUNITY HEALTH SERVICES, INC.	35,350	13,823
77521	Baytown	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	60,164	16,891
77523	Baytown	TX	2	CHAMBERS COUNTY PUBLIC HOSPITAL DISTRICT #1	23,501	4,659
77530	Channelview	TX	7	LEGACY COMMUNITY HEALTH SERVICES, INC.	33,437	14,063
77532	Crosby	TX	7	LEGACY COMMUNITY HEALTH SERVICES, INC.	29,963	7,845
77535	Dayton	TX	6	CHAMBERS COUNTY PUBLIC HOSPITAL DISTRICT #1	34,537	7,947
77536	Deer Park	TX	6	LEGACY COMMUNITY HEALTH SERVICES, INC.	32,146	6,653
77546	Friendswood	TX	5	STEPHEN F AUSTIN COMMUNITY HEALTH CENTER, INC.	53,623	7,185
77547	Galena Park	TX	4	LEGACY COMMUNITY HEALTH	9,925	5,605

ZCTA	Post Office Name	State	HCP: Health Center Count (Combined) 2020	HCP: Dominant Health Center 2020	Pop: Total (#) 2015-2019	Pop: Low-Income (#) 2015-2019
				SERVICES, INC.		
77562	Highlands	TX	4	LEGACY COMMUNITY HEALTH SERVICES, INC.	10,680	3,885
77571	La Porte	TX	5	LEGACY COMMUNITY HEALTH SERVICES, INC.	37,427	9,054
77581	Pearland	TX	5	STEPHEN F AUSTIN COMMUNITY HEALTH CENTER, INC.	48,438	5,801
77002	Houston	TX	5	HARRIS COUNTY HOSPITAL DISTRICT	15,613	2,340
77003	Houston	TX	8	LEGACY COMMUNITY HEALTH SERVICES, INC.	9,707	4,045
77004	Houston	TX	9	HARRIS COUNTY HOSPITAL DISTRICT	37,294	11,692
77005	Houston	TX	3	LEGACY COMMUNITY HEALTH SERVICES, INC.	28,572	1,693
77006	Houston	TX	7	LEGACY COMMUNITY HEALTH SERVICES, INC.	22,580	3,710
77007	Houston	TX	9	HARRIS COUNTY HOSPITAL DISTRICT	40,080	4,063
77008	Houston	TX	5	LEGACY COMMUNITY HEALTH SERVICES, INC.	34,895	4,767
77009	Houston	TX	10	LEGACY COMMUNITY HEALTH SERVICES, INC.	36,147	14,444
77010	Houston	TX	1	LEGACY COMMUNITY HEALTH SERVICES, INC.	890	60

ZCTA	Post Office Name	State	HCP: Health Center Count (Combined) 2020	HCP: Dominant Health Center 2020	Pop: Total (#) 2015-2019	Pop: Low-Income (#) 2015-2019
77011	Houston	TX	9	EL CENTRO DE CORAZON	17,447	10,476
77012	Houston	TX	8	EL CENTRO DE CORAZON	19,597	10,253
77013	Houston	TX	5	LEGACY COMMUNITY HEALTH SERVICES, INC.	19,198	9,509
77014	Houston	TX	9	SAINT HOPE FOUNDATION	37,488	16,402
77015	Houston	TX	10	LEGACY COMMUNITY HEALTH SERVICES, INC.	56,477	27,947
77016	Houston	TX	8	LEGACY COMMUNITY HEALTH SERVICES, INC.	30,741	16,707
77017	Houston	TX	8	LEGACY COMMUNITY HEALTH SERVICES, INC.	32,985	14,163
77018	Houston	TX	8	HARRIS COUNTY HOSPITAL DISTRICT	28,229	7,717
77019	Houston	TX	5	LEGACY COMMUNITY HEALTH SERVICES, INC.	22,057	3,900
77020	Houston	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	26,357	16,507
77021	Houston	TX	11	LEGACY COMMUNITY HEALTH SERVICES, INC.	26,214	12,634
77022	Houston	TX	10	LEGACY COMMUNITY HEALTH SERVICES, INC.	27,924	17,557
77023	Houston	TX	10	LEGACY COMMUNITY HEALTH SERVICES, INC.	29,138	14,772
77024	Houston	TX	5	LEGACY COMMUNITY HEALTH	38,190	5,138

ZCTA	Post Office Name	State	HCP: Health Center Count (Combined) 2020	HCP: Dominant Health Center 2020	Pop: Total (#) 2015-2019	Pop: Low-Income (#) 2015-2019
				SERVICES, INC.		
77025	Houston	TX	6	LEGACY COMMUNITY HEALTH SERVICES, INC.	28,540	6,063
77026	Houston	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	21,300	12,975
77027	Houston	TX	4	LEGACY COMMUNITY HEALTH SERVICES, INC.	18,323	3,155
77586	Seabrook	TX	4	LEGACY COMMUNITY HEALTH SERVICES, INC.	22,548	3,541
77587	South Houston	TX	5	LEGACY COMMUNITY HEALTH SERVICES, INC.	16,928	8,881
77598	Webster	TX	5	STEPHEN F AUSTIN COMMUNITY HEALTH CENTER, INC.	26,460	8,769
77028	Houston	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	17,425	10,643
77029	Houston	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	17,781	10,014
77030	Houston	TX	5	SAINT HOPE FOUNDATION	11,229	1,895
77031	Houston	TX	7	BEE BUSY WELLNESS CENTER	18,058	7,158
77032	Houston	TX	7	LEGACY COMMUNITY HEALTH SERVICES, INC.	14,535	9,757
77033	Houston	TX	10	LEGACY COMMUNITY HEALTH SERVICES, INC.	30,558	18,202
77034	Houston	TX	10	LEGACY COMMUNITY HEALTH	40,635	18,434

ZCTA	Post Office Name	State	HCP: Health Center Count (Combined) 2020	HCP: Dominant Health Center 2020	Pop: Total (#) 2015-2019	Pop: Low-Income (#) 2015-2019
				SERVICES, INC.		
77035	Houston	TX	12	LEGACY COMMUNITY HEALTH SERVICES, INC.	36,931	17,516
77036	Houston	TX	13	LEGACY COMMUNITY HEALTH SERVICES, INC.	74,472	47,682
77037	Houston	TX	7	HOUSTON COMMUNITY HEALTH CENTERS, INC.	18,966	11,627
77038	Houston	TX	8	LEGACY COMMUNITY HEALTH SERVICES, INC.	31,912	18,708
77039	Houston	TX	6	LEGACY COMMUNITY HEALTH SERVICES, INC.	28,877	18,697
77040	Houston	TX	8	LEGACY COMMUNITY HEALTH SERVICES, INC.	47,823	16,837
77041	Houston	TX	8	SPRING BRANCH COMMUNITY HEALTH CENTER	33,941	9,196
77042	Houston	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	41,734	16,732
77043	Houston	TX	6	SPRING BRANCH COMMUNITY HEALTH CENTER	24,803	8,249
77044	Houston	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	48,783	13,839
77045	Houston	TX	10	LEGACY COMMUNITY HEALTH SERVICES, INC.	36,532	15,021
77046	Houston	TX	1	LEGACY COMMUNITY HEALTH	1,207	74

ZCTA	Post Office Name	State	HCP: Health Center Count (Combined) 2020	HCP: Dominant Health Center 2020	Pop: Total (#) 2015-2019	Pop: Low-Income (#) 2015-2019
				SERVICES, INC.		
77047	Houston	TX	8	LEGACY COMMUNITY HEALTH SERVICES, INC.	32,616	10,970
77048	Houston	TX	10	LEGACY COMMUNITY HEALTH SERVICES, INC.	18,383	9,230
77049	Houston	TX	10	LEGACY COMMUNITY HEALTH SERVICES, INC.	36,434	12,352
77050	Houston	TX	4	SAINT HOPE FOUNDATION	4,741	2,906
77051	Houston	TX	10	HARRIS COUNTY HOSPITAL DISTRICT	17,221	10,858
77053	Houston	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	31,650	15,769
77054	Houston	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	23,267	7,970
77055	Houston	TX	8	SPRING BRANCH COMMUNITY HEALTH CENTER	44,671	19,895
77056	Houston	TX	5	LEGACY COMMUNITY HEALTH SERVICES, INC.	22,056	3,014
77057	Houston	TX	6	LEGACY COMMUNITY HEALTH SERVICES, INC.	41,690	13,012
77058	Houston	TX	6	BEE BUSY WELLNESS CENTER	16,120	5,371
77059	Houston	TX	3	PASADENA HEALTH CENTER	17,254	1,667
77060	Houston	TX	10	SAINT HOPE FOUNDATION	45,642	32,683

ZCTA	Post Office Name	State	HCP: Health Center Count (Combined) 2020	HCP: Dominant Health Center 2020	Pop: Total (#) 2015-2019	Pop: Low-Income (#) 2015-2019
77061	Houston	TX	10	EL CENTRO DE CORAZON	26,253	13,626
77062	Houston	TX	4	LEGACY COMMUNITY HEALTH SERVICES, INC.	26,477	5,115
77063	Houston	TX	8	LEGACY COMMUNITY HEALTH SERVICES, INC.	39,249	16,746
77064	Houston	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	48,637	14,084
77065	Houston	TX	7	LEGACY COMMUNITY HEALTH SERVICES, INC.	37,793	11,053
77066	Houston	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	35,676	12,393
77067	Houston	TX	10	LEGACY COMMUNITY HEALTH SERVICES, INC.	35,227	19,216
77068	Houston	TX	6	SAINT HOPE FOUNDATION	11,011	3,121
77069	Houston	TX	6	LEGACY COMMUNITY HEALTH SERVICES, INC.	19,345	4,063
77070	Houston	TX	8	LEGACY COMMUNITY HEALTH SERVICES, INC.	53,057	16,758
77071	Houston	TX	10	LEGACY COMMUNITY HEALTH SERVICES, INC.	28,888	11,523
77072	Houston	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	61,122	34,582
77073	Houston	TX	8	LEGACY COMMUNITY HEALTH SERVICES, INC.	39,939	17,156

ZCTA	Post Office Name	State	HCP: Health Center Count (Combined) 2020	HCP: Dominant Health Center 2020	Pop: Total (#) 2015-2019	Pop: Low-Income (#) 2015-2019
77074	Houston	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	40,978	23,265
77075	Houston	TX	7	LEGACY COMMUNITY HEALTH SERVICES, INC.	44,517	18,908
77076	Houston	TX	8	HOUSTON COMMUNITY HEALTH CENTERS, INC.	36,009	22,041
77077	Houston	TX	9	ASIAN AMERICAN HEALTH COALITION DBA HOPE CLINIC	59,588	15,110
77078	Houston	TX	8	LEGACY COMMUNITY HEALTH SERVICES, INC.	15,663	8,269
77079	Houston	TX	4	LEGACY COMMUNITY HEALTH SERVICES, INC.	34,122	7,616
77080	Houston	TX	9	SPRING BRANCH COMMUNITY HEALTH CENTER	45,586	21,973
77081	Houston	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	53,031	34,900
77082	Houston	TX	10	ASIAN AMERICAN HEALTH COALITION DBA HOPE CLINIC	55,056	20,658
77083	Houston	TX	8	ASIAN AMERICAN HEALTH COALITION DBA HOPE CLINIC	78,298	32,928
77084	Houston	TX	12	SPRING BRANCH COMMUNITY HEALTH	107,673	36,504

ZCTA	Post Office Name	State	HCP: Health Center Count (Combined) 2020	HCP: Dominant Health Center 2020	Pop: Total (#) 2015-2019	Pop: Low-Income (#) 2015-2019
				CENTER		
77085	Houston	TX	6	LEGACY COMMUNITY HEALTH SERVICES, INC.	17,991	6,753
77086	Houston	TX	6	LEGACY COMMUNITY HEALTH SERVICES, INC.	28,636	14,034
77087	Houston	TX	10	LEGACY COMMUNITY HEALTH SERVICES, INC.	37,886	22,436
77088	Houston	TX	10	LEGACY COMMUNITY HEALTH SERVICES, INC.	55,734	28,309
77089	Houston	TX	9	STEPHEN F AUSTIN COMMUNITY HEALTH CENTER, INC.	54,751	15,492
77090	Houston	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	40,761	21,056
77091	Houston	TX	10	LEGACY COMMUNITY HEALTH SERVICES, INC.	27,750	15,568
77092	Houston	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	38,458	23,284
77093	Houston	TX	10	LEGACY COMMUNITY HEALTH SERVICES, INC.	47,135	31,767
77094	Houston	TX	3	SPRING BRANCH COMMUNITY HEALTH CENTER	10,271	480
77095	Houston	TX	5	LEGACY COMMUNITY HEALTH SERVICES, INC.	70,692	12,294
77096	Houston	TX	5	LEGACY COMMUNITY HEALTH	32,682	9,473

ZCTA	Post Office Name	State	HCP: Health Center Count (Combined) 2020	HCP: Dominant Health Center 2020	Pop: Total (#) 2015-2019	Pop: Low-Income (#) 2015-2019
				SERVICES, INC.		
77098	Houston	TX	4	LEGACY COMMUNITY HEALTH SERVICES, INC.	13,818	2,212
77099	Houston	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	52,294	27,379
77201	Houston	TX	0	null	0	0
77327	Cleveland	TX	10	HEALTH CENTER OF SOUTHEAST TEXAS	23,274	11,655
77336	Huffman	TX	4	LEGACY COMMUNITY HEALTH SERVICES, INC.	13,156	3,581
77338	Humble	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	43,558	15,860
77339	Kingwood	TX	4	LEGACY COMMUNITY HEALTH SERVICES, INC.	40,133	9,205
77345	Kingwood	TX	1	LEGACY COMMUNITY HEALTH SERVICES, INC.	27,993	1,657
77346	Humble	TX	9	LEGACY COMMUNITY HEALTH SERVICES, INC.	66,805	9,630
77354	Magnolia	TX	5	LONE STAR COMMUNITY HEALTH CENTER, INC.	37,058	8,953
77355	Magnolia	TX	4	LONE STAR COMMUNITY HEALTH CENTER, INC.	29,281	5,914
77357	New Caney	TX	7	LONE STAR COMMUNITY HEALTH CENTER, INC.	27,721	11,507

ZCTA	Post Office Name	HCP: Total Patients (#) 2020	HCP: Penetration of Low-Income (%)	HCP: Penetration of Total Population (%)
77365	Porter	1,118	10.29 %	3.04 %
77373	Spring	1,630	9.83 %	2.65 %
77375	Tomball	589	4.89 %	1.06 %
77377	Tomball	156	2.20 %	0.41 %
77379	Spring	575	4.85 %	0.71 %
77380	Spring	1,008	16.62 %	3.91 %
77386	Spring	1,976	26.01 %	3.44 %
77388	Spring	762	8.71 %	1.50 %
77389	Spring	418	7.72 %	1.09 %
77396	Humble	939	5.99 %	1.61 %
77401	Bellaire	783	61.65 %	4.04 %
77423	Brookshire	619	15.66 %	5.00 %
77429	Cypress	545	4.60 %	0.61 %
77433	Cypress	1,235	9.22 %	1.36 %
77445	Hempstead	950	12.74 %	6.69 %
77447	Hockley	263	6.28 %	1.62 %
77449	Katy	5,395	15.78 %	4.21 %
77450	Katy	1,002	9.12 %	1.36 %
77477	Stafford	2,365	20.80 %	6.60 %
77484	Waller	393	12.16 %	3.61 %
77489	Missouri City	2,437	21.48 %	6.37 %
77493	Katy	1,051	13.91 %	2.89 %
77494	Katy	1,737	14.52 %	1.47 %
77502	Pasadena	1,653	9.80 %	4.33 %
77503	Pasadena	815	7.67 %	3.29 %
77504	Pasadena	768	7.80 %	3.08 %
77505	Pasadena	435	8.30 %	1.80 %
77506	Pasadena	1,759	8.01 %	4.54 %
77507	Pasadena	0	0.00 %	0.00 %
77520	Baytown	4,140	29.95 %	11.71 %
77521	Baytown	6,270	37.12 %	10.42 %
77523	Baytown	4,517	96.95 %	19.22 %
77530	Channelview	1,480	10.52 %	4.43 %
77532	Crosby	1,331	16.97 %	4.44 %
77535	Dayton	3,664	46.11 %	10.61 %
77536	Deer Park	887	13.33 %	2.76 %
77546	Friendswood	701	9.76 %	1.31 %
77547	Galena Park	441	7.87 %	4.44 %
77562	Highlands	899	23.14 %	8.42 %

ZCTA	Post Office Name	HCP: Total Patients (#) 2020	HCP: Penetration of Low-Income (%)	HCP: Penetration of Total Population (%)
77571	La Porte	805	8.89 %	2.15 %
77581	Pearland	1,590	27.41 %	3.28 %
77002	Houston	2,622	112.05 %	16.79 %
77003	Houston	989	24.45 %	10.19 %
77004	Houston	3,200	27.37 %	8.58 %
77005	Houston	270	15.95 %	0.94 %
77006	Houston	1,863	50.22 %	8.25 %
77007	Houston	2,019	49.69 %	5.04 %
77008	Houston	649	13.61 %	1.86 %
77009	Houston	1,932	13.38 %	5.34 %
77010	Houston	12	20.00 %	1.35 %
77011	Houston	2,414	23.04 %	13.84 %
77012	Houston	1,556	15.18 %	7.94 %
77013	Houston	1,165	12.25 %	6.07 %
77014	Houston	1,214	7.40 %	3.24 %
77015	Houston	2,686	9.61 %	4.76 %
77016	Houston	1,702	10.19 %	5.54 %
77017	Houston	1,592	11.24 %	4.83 %
77018	Houston	1,108	14.36 %	3.93 %
77019	Houston	1,265	32.44 %	5.74 %
77020	Houston	4,271	25.87 %	16.20 %
77021	Houston	1,966	15.56 %	7.50 %
77022	Houston	1,846	10.51 %	6.61 %
77023	Houston	2,590	17.53 %	8.89 %
77024	Houston	472	9.19 %	1.24 %
77025	Houston	641	10.57 %	2.25 %
77026	Houston	2,721	20.97 %	12.77 %
77027	Houston	384	12.17 %	2.10 %
77586	Seabrook	229	6.47 %	1.02 %
77587	South Houston	620	6.98 %	3.66 %
77598	Webster	543	6.19 %	2.05 %
77028	Houston	1,406	13.21 %	8.07 %
77029	Houston	1,300	12.98 %	7.31 %
77030	Houston	356	18.79 %	3.17 %
77031	Houston	2,552	35.65 %	14.13 %
77032	Houston	682	6.99 %	4.69 %
77033	Houston	1,937	10.64 %	6.34 %
77034	Houston	1,597	8.66 %	3.93 %
77035	Houston	4,323	24.68 %	11.71 %

ZCTA	Post Office Name	HCP: Total Patients (#) 2020	HCP: Penetration of Low-Income (%)	HCP: Penetration of Total Population (%)
77036	Houston	11,742	24.63 %	15.77 %
77037	Houston	1,058	9.10 %	5.58 %
77038	Houston	1,136	6.07 %	3.56 %
77039	Houston	1,188	6.35 %	4.11 %
77040	Houston	1,639	9.73 %	3.43 %
77041	Houston	1,219	13.26 %	3.59 %
77042	Houston	3,041	18.17 %	7.29 %
77043	Houston	1,063	12.89 %	4.29 %
77044	Houston	1,617	11.68 %	3.31 %
77045	Houston	2,011	13.39 %	5.50 %
77046	Houston	25	33.78 %	2.07 %
77047	Houston	1,317	12.01 %	4.04 %
77048	Houston	1,020	11.05 %	5.55 %
77049	Houston	1,491	12.07 %	4.09 %
77050	Houston	357	12.28 %	7.53 %
77051	Houston	2,555	23.53 %	14.84 %
77053	Houston	2,298	14.57 %	7.26 %
77054	Houston	948	11.89 %	4.07 %
77055	Houston	2,258	11.35 %	5.05 %
77056	Houston	580	19.24 %	2.63 %
77057	Houston	2,892	22.23 %	6.94 %
77058	Houston	1,538	28.64 %	9.54 %
77059	Houston	140	8.40 %	0.81 %
77060	Houston	2,752	8.42 %	6.03 %
77061	Houston	1,674	12.29 %	6.38 %
77062	Houston	288	5.63 %	1.09 %
77063	Houston	3,561	21.26 %	9.07 %
77064	Houston	966	6.86 %	1.99 %
77065	Houston	688	6.22 %	1.82 %
77066	Houston	843	6.80 %	2.36 %
77067	Houston	1,220	6.35 %	3.46 %
77068	Houston	401	12.85 %	3.64 %
77069	Houston	339	8.34 %	1.75 %
77070	Houston	742	4.43 %	1.40 %
77071	Houston	2,927	25.40 %	10.13 %
77072	Houston	5,323	15.39 %	8.71 %
77073	Houston	1,579	9.20 %	3.95 %
77074	Houston	6,266	26.93 %	15.29 %
77075	Houston	1,401	7.41 %	3.15 %

ZCTA	Post Office Name	HCP: Total Patients (#) 2020	HCP: Penetration of Low-Income (%)	HCP: Penetration of Total Population (%)
77076	Houston	2,324	10.54 %	6.45 %
77077	Houston	2,560	16.94 %	4.30 %
77078	Houston	1,195	14.45 %	7.63 %
77079	Houston	702	9.22 %	2.06 %
77080	Houston	3,228	14.69 %	7.08 %
77081	Houston	7,384	21.16 %	13.92 %
77082	Houston	4,108	19.89 %	7.46 %
77083	Houston	6,228	18.91 %	7.95 %
77084	Houston	3,860	10.57 %	3.58 %
77085	Houston	1,381	20.45 %	7.68 %
77086	Houston	691	4.92 %	2.41 %
77087	Houston	2,340	10.43 %	6.18 %
77088	Houston	2,402	8.48 %	4.31 %
77089	Houston	1,736	11.21 %	3.17 %
77090	Houston	1,789	8.50 %	4.39 %
77091	Houston	1,628	10.46 %	5.87 %
77092	Houston	1,695	7.28 %	4.41 %
77093	Houston	2,383	7.50 %	5.06 %
77094	Houston	110	22.92 %	1.07 %
77095	Houston	899	7.31 %	1.27 %
77096	Houston	2,747	29.00 %	8.41 %
77098	Houston	573	25.90 %	4.15 %
77099	Houston	5,163	18.86 %	9.87 %
77201	Houston	0	0.00 %	0.00 %
77327	Cleveland	3,904	33.50 %	16.77 %
77336	Huffman	118	3.30 %	0.90 %
77338	Humble	972	6.13 %	2.23 %
77339	Kingwood	229	2.49 %	0.57 %
77345	Kingwood	46	2.78 %	0.16 %
77346	Humble	500	5.19 %	0.75 %
77354	Magnolia	883	9.86 %	2.38 %
77355	Magnolia	338	5.72 %	1.15 %
77357	New Caney	1,220	10.60 %	4.40 %

Thursday, April 28, 2022

Consideration of Approval of HCHP 2021 Annual Risk Management Report

Thursday, April 28, 2022

Consideration of Approval of HCHP 2021-2022 Consumer Advisory Council Report

HCHP Consumer Advisory Council Report

Highlights of Council Activities from December 2021 – February 2022:

Meetings were held via WebEx and teleconference due to the COVID-19 pandemic.

- Members received updates on ongoing operational changes at Harris Health and the Health Care for the Homeless Program (HCHP) because of the COVID-19 pandemic, and updates on locations for testing and vaccinations for people experiencing homelessness.

- Members reviewed reports related to medical services, dental care, outreach, social work, case management, psychiatry, behavioral health, patient registration/eligibility, HIV testing, health education, outreach services, procedures clinic, patient satisfaction, quality and performance improvement.

- Members provided updates on new encampment areas on which to conduct outreach services.

- Council Chairperson, Jonathan Oxley, provided updates to the council about items discussed at the Council At-Large meeting.

- The council was informed that HCHP received a Health Resources and Services Administration notice of award, based on the submitted service area competition application, for funding for a three year project period from January 01, 2022 – December 31, 2024, for $4,072,084 for each year.

- Members were informed that the medical and immunization mobile units were vandalized and had their catalytic converters stolen, which would affect availability of services.

- A council member requested that a flyer be created to promote availability of services.

Thursday, April 28, 2022

Executive Session – Agenda Item

Discussion Regarding the Acquisition of Real Property, Pursuant to Tex. Gov't Code §551.072 and Possible Action Regarding this Matter Upon Return to Open Session.

- Pages 463-464 Were Intentionally Left Blank -

Thursday, April 28, 2022

Executive Session – Agenda Item

Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA and Other Federal and State Healthcare Program Requirements and a Status of Fraud and Abuse Investigations, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Gov't Code §418.183, Tex. Gov't Code §551.089, Tex. Occ. Code Ann. §160.007, Tex. Occ. Code Ann. §151.002, and Tex. Gov't Code Ann. §551.071, Including Possible Action Regarding this Matter Upon Return to Open Session.

This information is being presented for informational purposes only.

Thursday, April 28, 2022

Executive Session – Agenda Item

Consultation with Attorney Regarding Collaborative Opportunities with The University of Texas M.D. Anderson Cancer Center for the Development of a Clinical Facility on LBJ Campus, Pursuant to Tex. Gov't Code Ann. §551.071 and Tex. Gov't Code Ann. §551.085 and Possible Action Regarding this Matter Upon Return to Open Session, Including Consideration of Approval of a Term Sheet Between the Parties.

- Pages 467-497 Were Intentionally Left Blank -

Thursday, April 28, 2022

Executive Session – Agenda Item

Consultation with Attorney Regarding Opportunities for Support of the Harris Health Strategic Plan, Pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session.