



**HARRIS COUNTY HOSPITAL DISTRICT  
MINUTES OF THE BOARD OF MANAGERS MEETING**

**Thursday, April 24, 2008**

**Board Room – Administration Building**

**BOARD MEMBERS PRESENT**

Mr. Stephen DonCarlos, Chair  
Ms. Carolyn Truesdell, Vice Chair  
Mr. E. Dale Wortham, Secretary  
Mr. Michael Jhin  
Dr. George Santos  
Ms. Daisy Stiner

**BOARD MEMBERS ABSENT**

Mr. Danny Jackson, Asst. Secretary  
Mr. Elvin Franklin, Jr.  
Ms. Mary Spinks

**OTHERS PRESENT**

Mr. David Lopez, President & Chief Executive Officer  
Mr. George Masi, COO  
Mr. Kelly Johnson, Harris County Purchasing  
Attorney Mercedes Leal, County Attorney's Office  
Ms. Peggy Boice, Judge Ed Emmett's Office  
Ms. Nikki Harrison Caffey, Commissioner Sylvia Garcia's Office  
Mr. Mark Fury, Commissioner Steve Radack's Office  
Administrative Staff  
Guests  
Media

(Sign-in Sheets attached to permanent record)

**I. Call to Order and Record of Attendance**

Mr. Stephen DonCarlos, Chair, called the meeting to order at 9:04 A.M. and noted that a quorum was present. The attendance was recorded.

**II. Approval of Minutes of Previous Meeting**

**Motion 08.4-250**

Moved by Ms. Truesdell, seconded by Mr. Wortham, and unanimously passed, that the Board approve the minutes of the March 27, 2008 regular meeting of the Board of Managers.

**III. Hear from Citizens**

*Dr. Kenneth Mattox* addressed the Board relative to Dr. Michael E. DeBakey receiving the 2007 Congressional Gold Medal.

**IV. Consideration of Approval to Waive Article XVII. 2 of the Bylaws of the Board of Managers of the Harris County Hospital District and Amend the December 7, 2006 Bylaws**

**Motion 08.4-251**

Mr. DonCarlos and Ms. Truesdell explained that the 30-day notice provision of Section XVII.2 of the Bylaws could not be waived because such waiver requires a vote of the full Board. Ms. Truesdell then moved, seconded by Mr. Wortham, that the Board approve all amendments to the Bylaws contained in the form distributed prior to the March Board meeting, thereby satisfying the 30-day written notice requirement. Following such motion, the Board unanimously approved adoption of all amendments except Article III. 5: Duties of the Board (To ensure that there is a Chief Medical Officer for all of the District's hospitals who oversees all medical staff activities and reports to the Board and the President/CEO on all matters relating to such oversight responsibilities.) and Article VII. 7: Audit Committee (The County Auditor and/or the County Auditor's representative will be an ex-officio member of the committee.)

**V. President/Chief Executive Officer's Report to Include: 1) Hospital District Foundation: Status Report; 2) CMS Rule Change Moratorium: Status Report; 3) Senate Bill #10: Status Report; 4) Phase I Strategic Capital Projects: Progress Report; 5) National Association of Public Hospitals (NAPH) Awards; and 6) AMS Agreement: Status Report**

Individuals presented updates as listed below:

Ms. Ottley Sims – status report on the HCHD fundraising efforts.

Mr. David Lopez – CMS Rule Change Moratorium and Senate Bill #10.

Mr. Ronald Johnson – Phase I Strategic Capital Projects (Copy of PowerPoint presentation in permanent file.)

Ms. Carol Oddo – National Association of Public Hospitals (NAPH) Awards

Mr. David Lopez – AMS Agreement

**VI. Items Related to Purchasing**

Mr. DonCarlos called on Ms. Carolyn Truesdell to present items related to purchasing.

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

**a. Motion 08.4-252**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve an award on the basis of the lowest price contract to Cardinal Health (PP-PW9CES01) as pharmaceutical prime vendor for distribution of pharmaceutical products in the estimated amount of \$76,687,968 for the term May 1, 2008 through March 31, 2009.

**b. Motion 08.4-253**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve an award on the basis of best bid to Hollister Incorporated for patient bowel management systems in the estimated amount of \$265,434 for the term May 1, 2008 through April 30, 2009 with four one-year renewal options.

c. **Motion 08.4-254**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve a purchase on the basis of best contract from GE Medical Systems Information Technology of four fetal heart monitors in the amount of \$61,412.00.

d. **Motion 08.4-255**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve a purchase on the basis of best contract from Terumo Cardiovascular Systems for three auto transfusion/blood processing units in the amount of \$70,500.00.

e. **Motion 08.4-256**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve an award on the basis of best overall contract to KCI USA, Inc. to provide rental equipment and supplies for negative pressure wound therapy in the estimated amount of \$718,585 for the term one year effective from the date of acceptance of equipment with one renewal option.

f. **Motion 08.4-257**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve an award on the basis of best and most complete bid to Fresenius USA Marketing, Inc. to provide hemodialysis consumables for the Hospitals and Riverside Dialysis Clinic in the estimated amount of \$250,000 for the term May 1, 2008 through April 30, 2009 with two one-year renewal options.

g. **Motion 08.4-258**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve the third and final renewal option for Callan Associates, Inc. to provide an annual review of the Hospital District 401(k) and pension plan, investment performance measurement services, and other services as required in the estimated amount of \$210,600 for the term May 1, 2008 through April 30, 2009.

h. **Motion 08.4-259**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve the second of four renewal options for Lepow Podiatric Medical Association, LLP for outsourcing of Podiatry Services in the estimated amount of \$537,493 for the term May 1, 2008 through April 30, 2009.

i. **Motion 08.4-260**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve the fourth of four renewal options for Patient Care Systems, Inc. to provide rental of bariatric and special care beds and surfaces in the estimated amount of \$139,914 for the term June 1, 2008 through May 31, 2009.

j. **Motion 08.4-261**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve the first of four renewal options for Cardon Healthcare Network, Inc. and Select Billing and Collections Services, LTD to provide collection services for patient lien accounts with a focus on providing legal expertise for the collection process in the estimated amount of \$350,000 for the term June 1, 2008 through May 31, 2009.

k. **Motion 08.4-262**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve the second of five renewal options for Abbott Laboratories, Inc. to provide hematology analyzers, reagents, consumables and service in the estimated amount of \$243,491 for the term June 1, 2008 through May 31, 2009.

l. **Motion 08.4-263**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve an exemption from the competitive bid requirements and renewal of an award for Gulf Coast Regional Blood Center to provide a resource for blood services and components in the estimated amount of \$4,627,583 for the term June 1, 2008 through May 31, 2009.

m. **Motion 08.4-264**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve an award on the basis of sole source to Epic Systems Corporation to provide ongoing maintenance and support for the software associated with the Clinical Patient Care Solution Portion of the Epic Project in the amount of \$1,107,151 for the term April 1, 2008 through March 31, 2009.

n. **Motion 08.4-265**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve an additional funds and an extension for DMS Health Group for rental of mobile computed tomography (CT) unit in the amount of \$159,600 for an extended four month rental period. (The Board previously approved funding in the amount of \$39,900 for a one month rental period; these additional funds bring the total funded amount to \$199,500.)

o. **Motion 08.4-266**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve additional funding and an extension for Siemens Healthcare

Diagnostic Inc. (fka Dade Behring, Inc.) to provide instrumentation, reagents and consumables for automated microbiology ID and susceptibility testing in the amount of \$96,661 for the extended term of May 1, 2008 through October 31, 2008. (The Board previously approved funds in the amount of \$386,644 for the term May 1, 2006 through April 30, 2008; these additional funds bring the total funded amount to \$483,305.)

p. **Motion 08.4-267**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve additional funding and an extension for Siemens Healthcare Diagnostics (fka Dade Behring, Inc.) for Reagent Rental Agreement, which includes instrumentation for hemostasis/coagulation testing in the estimated amount of \$53,280 for the extended term of May 1, 2008 through October 31, 2008. (The Board previously approved funds in the amount of \$213,120 for the term May 1, 2006 through April 30, 2008; these additional funds bring the total funded amount to \$266,400.)

q. **Motion 08.4-268**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve additional funds and an extension for Siemens Healthcare Diagnostics, Inc. (formerly Dade Behring, Inc.) to provide plasma protein testing and related services in the estimated amount of \$47,366 for the extended term of May 1, 2008 through October 31, 2008. (The Board previously approved funds in the amount of \$189,464 for the term May 1, 2006 through April 30, 2008; these additional funds bring the total funded amount to \$236,830.)

r. **Motion 08.4-269**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve additional funds and an extension for Beckman Coulter, Inc. to provide chemistry testing and related consumables and services to various Hospital District CHP clinic labs in the estimated amount of \$44,960 for the term May 1, 2008 through July 31, 2008. (The Board previously approved funds in the amount of \$224,800 for the term February 1, 2007 through April 30, 2008; these additional funds bring the total funded amount to \$269,760.)

s. **Motion 08.4-270**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve an award to OfficeMax, Inc. for office supplies and paper in the estimated amount of \$800,000 for the term August 1, 2008 through July 31, 2009.

t. **Motion 08.4-271**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve an award on the basis on only bid to Siemens Healthcare Diagnostics Inc. (fka Dade Behring, Inc.) to provide plasma protein analyzers and

reagents in the estimated first year amount of \$88,952 (\$472,258 for the five year term) for the term five years subject to annual funding, effective upon execution and operational acceptance of system.

u. **Motion 08.4-272**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve an award on the basis on only bid received for Iron Mountain Record Management to provide storage and maintenance of medical records, x-ray film and retrieval services in the estimated amount of \$1,134,294 for the term May 1, 2008 through April 30, 2009 with four one-year renewal options.

v. **Motion 08.4-273**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve a purchase on the basis of best contract from Conmed Corporation for five system 5000 electrosurgical units (ESU) with both monopolar and bipolar capabilities for the Lyndon B. Johnson General Hospital Operative Services Department in the amount of \$61,730.00.

w. **Motion 08.4-274**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve a revision of the term for Siemens Healthcare Diagnostics Inc. (fka Dade Behring Inc.) to provide microbiology equipment for automated microbial identification and susceptibility testing in the amount of \$165,904 annually (\$829,520 for the five year term) for the term five years subject to annual funding, effective upon execution of agreement.

x. **This agenda item was pulled at the Budget and Finance Committee Meeting on April 10, 2008.**

y. **Motion 08.4-275**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board ratify an award as an exception to the Harris County Hospital District Purchasing Manual bid requirements for Zimmer-Wilson/Phillips for orthopedic implants in the amount of \$31,504 for the term January 20, 2008 through February 12, 2008.

z. **Motion 08.4-276**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board ratify a purchase made on an emergency basis from Siemens Medical Solutions, Inc. to repair Siemens A and B Plane Neurostar Radiology Systems in the amount of \$205,354.

aa. **Motion 08.4-277**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve an award on the basis of lowest priced contract for Cardinal Health, Medical Products and Services for exam and surgical gloves in the

estimated amounts of \$252,738 (surgeon gloves) and \$804,157 (exam gloves) for a total estimated amount of \$1,056,895 for the term February 1, 2008 through January 31, 2009.

bb. **Motion 08.4-278**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board ratify an extension for Cardinal Health 301, Inc. dba Pyxis Corporation to provide continued lease and maintenance of the automated medication dispensing equipment requiring no additional funds for the extended term of April 1, 2008 through September 30, 2008.

cc. **Motion 08.4-279**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board ratify funding and a change in term for Aetna Life Insurance Company to fund a change approved by the Board of Managers on October 11, 2007, to move >65 retiree plan participants from the self insured medical plan to the fully insured Medicare Advantage Plan (Motion# 07.10-537) in the estimated amount of \$3,740,000 for the term January 1, 2008 through December 31, 2008. (Previous term March 1, 2007 through February 28, 2008.)

A(2). Transmittal of Completed Purchases under \$100,000  
**(For Informational Purposes Only)**

- a. Transmittal of an award on the basis of low bid meeting specifications for Nightingale Adult Day Center for interpreter services for hearing impaired persons in the estimated amount of \$80,000 for the term April 1, 2008 through March 31, 2009 with one one-year renewal option.
- b. Transmittal of an award on the basis of best overall contract for Bausch & Lomb Surgical, Inc. for Instruments and Accessories in the estimated amount of \$48,942 and Becton, Dickinson and Company for blades in the estimated amount of \$34,976 for the term May 1, 2008 through April 30, 2009.
- c. Transmittal of an award on the basis of sole source for Iridex Corporation to provide a dual wavelength laser for treating proliferative retinal disease and cyclo-photodestructive procedures in the amount of \$40,070.00.
- d. Transmittal of a purchase on the basis of sole source from Codman & Shurtleff, Inc. of two neuron bipolar electrical surgical units in the amount of \$41,259.00.
- e. Transmittal of award on the basis of sole source for Viasys Healthcare, Inc. for two high frequency ventilators in the amount of \$78,802.00.
- f. Transmittal of an award on the basis of sole source for Diagnostic Hybrids to provide mixed cell cultures in the estimated amount of \$45,313 for the term May 1, 2008 through April 30, 2009.

- g. Transmittal of the third of four renewal options for Diamedix Corporation to provide infectious disease testing (measles, mumps, etc.) and autoimmune testing in the estimated amount of \$60,316 for the term June 1, 2008 through May 31, 2009.

## **VII. Reports of the Committees**

Mr. DonCarlos presented agenda items relative to Joint Conference Committee.

### **A. Joint Conference Committee**

#### **1. Motion 08.4-280**

Moved by Mr. DonCarlos, seconded by Mr. Wortham, and unanimously passed, that the Board approve the April 2008 credentialing changes for members of the HCHD Medical Staff. (Appendix "A").

#### **2. Motion 08.4-281**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board accept the Medical Board Report as included in the packet with the exception of the following: ANNOUNCEMENTS: the Medical Staff Retreat has been rescheduled for June 7, 2008. (Appendix "B").

Mr. DonCarlos called on Mr. Ferdinand Gaenzel to present agenda items relative to Budget and Finance Committee.

### **B. Budget and Finance Committee**

#### **1. Motion 08.4-282**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board accept the March 31, 2008 Financial Report subject to final audit.

#### **2. Motion 08.4-283**

Moved by Dr. Santos, seconded by Mr. Wortham, and unanimously passed, that the Board accept the March 31, 2008 Pension Plan Report subject to final audit.

3. Update on the Series 2007B Bonds (\$103,525,000) Conversion from Auction Rate Mode to Term Rate Mode and Possible Action Regarding the Conversion of the Series 2007B Bonds to a Term Rate Mode

Informational only, requiring no action.

4. Presentation of March 2008 Financial Statements of Community Health Choice, Inc.

Mr. Richard Lee presented the March 2008 Financial Statement of Community Health Choice, Inc. Highlights for the month of February include:

- ✓ Net income \$911,538
- ✓ STAR Member months were 8% below budget
- ✓ CHIP Member months were 1% above budget
- ✓ Perinate Member months were 14% above budget



- ✓ Total Revenue was 11% below budget

Mr. DonCarlos called on Mr. Michael Jhin to present agenda items relative to Audit Committee. Mr. Mark Ledman, County auditor presented agenda item C. 1.

### **C. Audit Committee**

#### **1. Motion 08.4-284**

Moved by Mr. Wortham, seconded by Ms. Truesdell, and unanimously passed, that the Board defer consideration of acceptance of the Harris County Auditors Harris County Hospital District Audit Services Internal Audit Charter until after Executive Session.

#### **Motion 08.4-311**

Following Executive Session, Moved by Ms. Truesdell, seconded by Mr. Wortham, and unanimously passed, that the Board accept the Harris County Hospital District Audit Services Internal Audit Charter as included in the packet.

Mr. Michael Jhin departed the meeting prior to this vote.

#### **2. Motion 08.4-285**

Moved by Mr. Wortham, seconded by Dr. Santos, and unanimously passed, that the Board accept the Harris County Auditor's Report for the Harris County Hospital District Community Health Program Clinic Collections audit as included in the packet.

Mr. DonCarlos called on Ms. Truesdell to present agenda items relative to the Planning and Operations Committee.

### **D. Planning and Operations Committee**

#### **1. Items related to Specialty and Primary Clinics and other Facilities**

##### **a. Ratifications**

1. Consideration of Ratification of an Agreement between the Harris County Hospital District/Health Care Homeless Program and Harmony House to Provide On-site Health Care Services to Homeless Individuals

This agenda item was pulled.

#### **2. Motion 08.4-286**

Moved by Mr. Wortham, seconded by Dr. Santos, and unanimously passed, that the Board ratify an agreement between Baylor College of Medicine, Houston Independent School District (HISD) and the Harris County Hospital District in the amount of \$150,000 to provide primary care services to children within the geographical boundaries of Harris County, Precinct One for the term April 5, 2008 through April 4, 2009 and may be renewed for another term of one year.

#### **3. Motion 08.4-287**

Moved by Mr. Wortham, seconded by Dr. Santos, and unanimously passed, that the Board ratify an agreement between Baylor College of Medicine, Houston Independent School District (HISD) and the Harris County Hospital District in the amount of \$150,000 to provide primary care services to children within the geographical boundaries of Harris County, Precinct Two for the term April 24, 2008 through April 13, 2009 and may be renewed for another term of one year.

4. **Motion 08.4-288**

Moved by Mr. Wortham, seconded by Dr. Santos, and unanimously passed, that the Board ratify an agreement under Ryan White Modernization Act Part A between the Harris County Hospital District and Baylor College of Medicine, not to exceed an amount of \$229,335.75 to provide psychiatry services to eligible HIV-infected individuals who are patients of the Harris County Hospital District for the term March 1, 2008 through February 28, 2009.

5. **Motion 08.4-289**

Moved by Mr. Wortham, seconded by Dr. Santos, and unanimously passed, that the Board ratify an agreement under Ryan White Modernization Act Part A between the Harris County Hospital District and Harris County in the amount of \$291,485 to provide medical case management services to eligible HIV-infected individuals who are patients of the Harris County Hospital District for the term March 1, 2008 through February 28, 2009.

6. **Motion 08.4-290**

Moved by Mr. Wortham, seconded by Dr. Santos, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and Baylor College of Medicine for retaining HIV-positive patients in medical care program funded under the Centers for Disease Control to provide study design and implementation for the effectiveness of strategies in retaining patients in care in the amount of \$41,386.31 for the term September 28, 2007 through September 27, 2008.

b. Agreements

1. **Motion 08.4-291**

Moved by Dr. Santos, seconded by Ms. Stiner, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and Lord of the Streets Episcopal Church to provide on-site health care services to homeless individuals in an amount not to exceed \$66,200 for the term May 1, 2008 through April 30, 2009.

2. **Motion 08.4-292**

Moved by Dr. Santos, seconded by Ms. Stiner, and unanimously passed, that the Board approve rescission of an agreement between the Harris County Hospital District and Harris County under Ryan White Modernization Act Part A to provide medical case management services to eligible HIV-infected individuals who are patients of the Harris County Hospital District in the amount of \$291,489 for the term March 1, 2008 through February 28, 2009.

3. **Motion 08.4-293**

Moved by Mr. Wortham, seconded by Ms. Stiner, and unanimously passed, that the Board approve a Memorandum of Understanding between the Harris County Hospital District and Healthcare for the Homeless-Houston located in Harris County and shall commence or become effective on the later date signed by both Parties and continue thereafter, unless terminated in accordance with the terms contained in the MOU.

4. **Motion 08.4-294**

Moved by Mr. Wortham, seconded by Ms. Stiner, and unanimously passed, that the Board approve a Memorandum of Understanding between the Harris County Hospital District and Legacy Community Health Services, Legacy Eye Clinic and Wellness Services and Legacy at Lyons Health Center, all located in Harris County and shall commence or become effective on the later date signed by both Parties and continue thereafter, unless terminated in accordance with the terms contained in the MOU.

C. Miscellaneous

**Motion 08.4-295**

Moved by Mr. Wortham, seconded by Ms. Stiner, and unanimously passed, that the Board approve the Harris County Hospital District 2008 Schedule of Benefits and Service Exclusions for our charity care program.

2. **Items Related to Personnel**

**Motion 08.4-296**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve the Metropolitan Transit Authority Q-Care Program policy which establishes guidelines for the Hospital District's transportation discount for HCHD employees who use mass transportation, effective immediately.

3. **Items Related to Buildings and Properties**

a. **Motion 08.4-297**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board of Managers award the Southwest Eligibility Center (Replacement Facility) Project for construction services to Coleman Contracting Group, based

on their best bid of \$1,862,851.04 and an owner's contingency amount of \$200,000.00 for a total cost of \$2,062,851.04.

b. **Motion 08.4-298**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board of Managers award the Build-Out of a Temporary Parking Lot, at the Baytown Community Health Center, to Pavecon, LTD., based on the fewest calendar days to complete the project, for an amount not to exceed \$199,045.00 and an owner's contingency for this project in the amount of \$19,905.00 (10% of base bid) for a total project cost of \$218,950.00.

c. **Motion 08.4-299**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board of Managers award the construction of the New Martin Luther King Jr. Community Health and Eligibility Center Project to the apparent low bidder, MATL Construction Corp., based on their base bid of \$13,990,000.00 and also establish an owner's contingency amount of \$1,399,000.00 (10% of base bid) for a total cost of \$15,389,000.00.

d. **Motion 08.4-300**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board of Managers award Harris County Project Number 08/0064, for the upgrade of the Emergency Generator and N+1 Project in the Administration Building Data Center to C. F. McDonald Electric, Inc. based on their base bid of \$1,384,869.00 and also establish an owner's contingency in the amount of \$138,487.00 (10% of base bid) for a total project cost of \$1,523,356.00.

e. **Motion 08.4-301**

Moved by Mr. Wortham, seconded by Dr. Santos, and unanimously passed, that the Board of Managers approve additional funding to the BLS Construction, Inc. purchase order, in the amount of \$160,000.00, for approved Change Proposal Requests to complete the Dialysis Center Clinic Project at Riverside Health Clinic.

f. **Motion 08.4-302**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board of Managers ratify entering into lease option 11, pursuant to the lease agreement between the Harris County Hospital District and the City of Pasadena, for the Strawberry Community Health/Eligibility Center, for the term March 1, 2008 through February 28, 2009 in the amount of \$9,495.87/month (includes a 4.3% increase in the Consumer Price Index for Urban Consumes and Clerical Workers (CPI-W) from December 2006 to December 2007).

g. **Motion 08.4-303**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board of Managers rescind Board Motion 08.2-164 approving the Hospital District to enter into lease option 10, pursuant to the lease agreement between the Harris County Hospital District and the City of Pasadena for the Strawberry Health Center/Eligibility Center for the period of March 1, 2008 to February 28, 2009 with current lease payment of \$9,104.38/month (included a 2.4% increase in the Consumer Price Index for Urban Consumers and Clerical Workers (CPI-W) from December 2005 to December 2006).

Mr. DonCarlos called on Ms. Carolyn Truesdell to present agenda items relative to Performance Improvement and Patient Safety Committee.

#### **E. Performance Improvement and Patient Safety Committee**

The Performance Improvement and Patient Safety Committee met April 10, 2008 and brings forth the following:

1. **Motion 08.4-304**

Moved by Mr. Wortham, seconded by Ms. Stiner, and unanimously passed, that the Board accept the Harris County Hospital District (HCHD) 2007-2008 Annual Performance Improvement Report.

2. **Motion 08.4-305**

Moved by Ms. Stiner, seconded by Mr. Wortham, and unanimously passed, that the Board approve the Harris County Hospital District (HCHD) 2008-2009 Performance Improvement Plan.

3. Presentation, Discussion and Possible Action regarding HCHD Appointment Availability and Clinic Cycle Wait Times

Mr. George Masi presented highlights of the report included in the packet.

Mr. DonCarlos called on Mr. Dale Wortham to present agenda items relative to Corporate Compliance Committee.

#### **F. Corporate Compliance Committee**

The Corporate compliance Committee met April 10, 2008 and brings forth the following:

1. **Motion 08.4-306**

Moved by Dr. Santos, seconded by Mr. Wortham, and unanimously passed, that the Board approve the Harris County Hospital District – Board of Managers Corporate Compliance Committee Charter Policy #3.39 to be effective April 24, 2008.

2. **Motion 08.4-307**

Moved by Mr. Wortham, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the Harris County Hospital District – Medicare Secondary Payer Policy #3.40 to be effective April 24, 2008.

**The following item did not go to the Corporate Compliance Committee and comes directly to the Board:**

3. Consideration of a Resolution Directing Community Health Choice, Inc. ("CHC") to Authorize the Hospital District's Vice President of Corporate Compliance to *have Oversight Responsibility for* CHC's Corporate Compliance Program and Integrate CHC's Corporate Compliance Program with the Hospital District's Corporate Compliance Program."

**Motion 08.4-308**

Moved by Mr. Wortham, seconded by Ms. Truesdell, and unanimously passed, that the Board adopted the following resolution:

Whereas, Community Health Choice, Inc. ("CHC") was established by the Harris County Hospital District ("District") under Chapter 281 of the Texas Health & Safety Code, as amended, is incorporated under the Texas Nonprofit Corporations Act, Chapter 22 of the Texas Business Organizations Code, as amended, (as evidenced by Articles of Incorporation, original Articles filed on May 9, 1966), and is licensed by the Texas Department of Insurance pursuant to Chapter 843 of the Texas Insurance Code, as amended; and

Whereas, CHC is "wholly owned and operated by" the District as required by Tex. Gov't Code Ann. §533.004(a)(1), as amended; and

Whereas, the District and CHC entered into a Third Amendment Administrative Services Agreement on June 27, 2005, whereby CHC engaged the District to perform certain administrative services as necessary and appropriate for the day-to-day administration of CHC's operation, including, but not limited to, corporate compliance assistance;

Now, therefore, the District, by and through its Board of Managers, hereby directs CHC to authorize the District's Vice President of Corporate Compliance to have oversight responsibility for CHC's Corporate Compliance Program and integrate CHC's Corporate Compliance Program with the District's Corporate Compliance Program.

Mr. Michael Jhin recommended that the Board consider the need for Internal Audit Oversight of CHC.

**VIII. Items Related to Policies**

**The following did not go to any committee and comes directly to the Board:**

**Motion 08.4-309**

Moved by Dr. Santos, seconded by Mr. Wortham, and unanimously passed, that the Board approve the Harris County Hospital District Medical Radioactivity Identification for Patients Policy 7.22 effective May 1, 2008.

Mr. Michael Jhin was absent from the meeting when this vote was taken.

## **IX. Executive Session**

At 11:24 A.M., Mr. DonCarlos stated that the Board would go into Executive Session under Section 161.032 of the Texas Health & Safety Code and Chapter 551 of the Texas Government Code Section 071. Mr. DonCarlos stated that the regular meeting of the Board would reconvene at the close of Executive Session.

## **X. Reconvene**

At 12:49 P.M., Mr. DonCarlos reconvened the meeting and asked if there were further input to the agenda.

The Corporate Compliance Committee met April 10, 2008 and brings forth agenda item "A".

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

Presented as information only requiring no action.

- B. Consultation with the County Attorney regarding Agreement with Affiliated Medical Services, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action Regarding this Matter Upon Return to Open Session

Presented as information only requiring no action.

- C. Consultation with the County Attorney regarding Open Records Opinion OR-2008-01480 and No. D-1-GN-08-0054, Harris County Hospital District and Brian McLeod v. Honorable Greg Abbott, Attorney General of Texas in the 201<sup>st</sup> Judicial District Court, of Travis County, Texas, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action Regarding this Matter Upon Return to Open Session

### **Motion 08.4-310**

Moved by Ms. Truesdell, seconded by Mr. Wortham, and unanimously approved, that the Board of Managers approve the settlement of Cause No. D-1-GN-08-00544; *Harris County Hospital District and Bryan O. McLeod v. Honorable Greg Abbott, Attorney General of Texas* in the Judicial District Court of Travis County, Texas; by agreement that the information at issue is confidential under TEX. HEALTH & SAFETY CODE §241.152 (a) and, therefore, is excepted from disclosure by TEX. GOV'T CODE §552.101.

- D. Consultation with the County Attorney regarding a Claim by Glenda Caldwell, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action Regarding this Matter Upon Return to Open Session

No action taken.

- E. Consultation with the County Attorney regarding Cause No. 2006-43929; Sara Dorsey v. Harris County Hospital District, in the 280<sup>th</sup> Judicial District Court of Harris County Texas, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action Regarding this Matter Upon Return to Open Session

No action taken.

- F. Consultation with the County Attorney regarding Cause No. 2008-09044; Isaac Grate, M.D. v. Harris County Hospital District, in the 164<sup>th</sup> Judicial Court of Harris County Texas, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action Regarding this Matter Upon Return to Open Session

No action taken.

## **XI. Adjournment**

Moved by Mr. DonCarlos, seconded by Mr. Wortham, and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at 12:50 P.M.

I certify that the foregoing are the Minutes of the Meeting of the Board of Managers of the Harris County Hospital District held at the Administration Building in Houston, Texas on April 24, 2008.

Mr. Stephen DonCarlos, Chair  
Board of Managers

E. Dale Wortham, Secretary

Recorded by Charlaa Hunter &  
Anne McCowan