



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

Thursday, January 28, 2010

Board Room – Administration Building

BOARD MEMBERS PRESENT

Mr. Stephen DonCarlos, Chair
Ms. Carolyn Truesdell, Vice Chair
Mr. E. Dale Wortham, Secretary
Mr. Elvin Franklin, Jr. (left at 11:51 a.m.)
Dr. George Santos
Ms. Daisy Stiner
Ms. Mary Spinks (left at 11:30 a.m.)
Dr. Atul Varadhachary

BOARD MEMBERS ABSENT

Mr. Danny Jackson, Asst. Secretary

OTHERS PRESENT

Mr. David Lopez, President & Chief Executive Officer
Mr. Kelly Johnson, Harris County Purchasing Agent
Ms. Vivian Groce, Harris County Assistant Purchasing Agent
Attorney Mercedes Leal, County Attorney's Office
Ms. Peggy Boice, Judge Ed Emmett's Office
Mr. Mark Fury, Commissioner Steve Radack's Office
Ms. Gloria Moreno, Commissioner Sylvia Garcia's Office
Ms. Elizabeth Neal, Commissioner Jerry Eversole's Office (9:31 a.m.)
Administrative Staff
Guests
(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 9:05 a.m. and noted that a quorum was present. The attendance was recorded.

II. Approval of Minutes of Previous Meetings

Motion 10.1-01

Moved by Dr. Santos, seconded by Dr. Varadhachary, and unanimously passed, that the Board approve the minutes of the December 3, 2009 Board of Managers meeting, December 10, 2009 Budget Workshop (as amended), and the January 14, 2010 Budget Workshop.

III. Oath of Office

Agenda Item III was pulled from the agenda.

IV. Consideration of Appointments to Board of Managers' Committees

Motion 10.1-02

Moved by Mr. Wortham, seconded by Mr. Franklin, and unanimously passed that the Board keep the current Board of Managers' Committee appointments the same and add a Strategic Planning Committee (Dr. Varadhachary, Chair; Ms. Truesdell, member; Dr. Santos, member). The current committee list is attached.

V. Special Presentation

Ms. Beth Cloyd and Ms. Moranda Dansby were recognized by the Board for their recognition by Texas Nurses Association (TNA) District 9 for their outstanding achievements and contributions to the nursing professions.

VI. Hear from Citizens

Ms. Angelica Salazar addressed the Board regarding HIPAA issues.

Mr. Howard Ammons addressed the Board regarding retiree insurance benefits.

VII. Items Related to Purchasing

Items A1r and A1uu were pulled from the agenda. Item A1cc was modified (term correction only, no additional funds). Ms. Truesdell recused herself from item A1w.

Mr. DonCarlos addressed item A1w (on call healthcare services for patients at The Methodist Hospital). He questioned the reason for the large increase in funding from the previous year. Mr. Kelly Johnson stated that he believed this was for additional PET Scans and breast MRIs. Mr. Webster stated that PET imaging is a new technology and this service will be available at the new Holly Hall site. Utilization of this service has increased over the past couple of years. Mr. Staley stated that one must have the ability to do the biopsy with the Breast MRI. This technology will also be available at the new Holy Hall site. Mr. Lopez stated that additional justification would be provided in those areas with significant increases.

Ms. Stiner addressed item A1dd (Information Technology consulting/contracting). She asked where the District expects to be once all IT projects are completed. She asked if

the Board should expect to continue to see maintenance and consulting for IT. Mr. Tindle stated that Epic covers many different areas from scheduling to the EMR in different settings. Outside organizations must be used to augment staff for these projects. The use of consulting resources is very typical for these projects and falls into the category of healthcare specific or staff augmentation. Dr. Santos asked for some idea of where the District was, where the District was headed, and what funding was anticipated over the next couple of years. Mr. DonCarlos asked that this presentation be scheduled for the February 25, 2010 agenda. It was asked that it also include a history of what has been spent and a brief history of IT in the District. Discussion ensued. Mr. Tindle stated that he would also provide an overview of IT economics and how the District compares to other institutions.

Dr. Santos requested clarification on item A1j (3 linear accelerators and treatment planning software). Ms. Truesdell noted that it will be a few years before the equipment is needed. Mr. Staley stated that the vendor has been identified. It has been written in the contract that the District will be able to get new technology if it is available. There was an extensive evaluation process with radiology and oncology and the rooms in the new building are built according to the specs of the equipment. Dr. Santos asked if the software was additional. Mr. Staley stated that the software is listed separately since the District may need to purchase it for existing equipment. Ms. Truesdell asked if he was comfortable that three were needed. Discussion ensued regarding volume and the use of the linear accelerators. Ms. Truesdell asked that the cost and need be examined closely before any purchases are made.

A Typo was noted on item A1ff.

Ms. Truesdell recused herself from item A1w.

Motion 10.1-03

Moved by Mr. Wortham, seconded by Ms. Stiner, and unanimously passed, that the Board approve items VII.A(1) (with the exception of items A1r and A1uu and the revision to item A1cc).

A(1). Items related to Purchasing

- a. approval of corrected term for Huron Consulting Services LLC d/b/a Wellspring Partners for audit of Pharmacy 340B Alternative Methods Demonstration Project from November 19, 2009 through November 18, 2010 (as approved) to October 28, 2009 through October 27, 2010 (corrected term).
- b. approval of corrected term for Advanced Health Education Center dba MEDRelief Staffing, Advance'd Temporaries, Inc., All Health Staffing, Crdentia Corporation, JWS Health Consultants, Inc. dba UltraStaff, Protouch Nurses dba Protouch Staffing, Pulse Staffing, RTG Medical, Rad-

Link Staffing, Inc., and TexMed Staffing, LC for nursing temporary personnel from December 2, 2009 through December 1, 2010 (as approved) to January 1, 2010 through December 31, 2010 (corrected term).

- c. approval of utilization for FleetCor Technologies Operating Company, LLC dba Fuelman for fleet fuel monitoring and dispensing system in the estimated amount of \$200,000 for the term March 1, 2010 through February 28, 2011.
- d. approval of corrected term and the first of four one-year renewal options for Becton Dickinson and Company through BD Biosciences to provide analyzers, reagents, consumables and service for flow cytometry in the estimated amount of \$166,479 for the term April 24, 2010 through April 23, 2011 (corrected term) from December 12, 2008 through December 11, 2009 (as approved).
- e. award on the basis of only proposal received for Ventana Medical Systems, Inc. for immunohistochemistry staining and special staining systems including analyzers, reagents, consumables and service in the estimated amount of \$495,000 for the term March 1, 2010 through February 28, 2011 with four one-year renewal options.
- f. award on the basis of product standardization for Philips Medical Systems NA Company (PP-MM-061) to provide new physiological monitors for Ben Taub General Hospital Cardiovascular Operative Services (6 ea.) and Labor and Delivery Recovery (3 ea.) in the amount of \$282,409 (standardized July 2009, expires February 2012).
- g. award on the basis of product standardization for Olympus America Inc. – Medical Systems Group (PP-OR-505) to provide video endoscopy equipment in the amount of \$916,983 (standardized June 2009, expires July 2013)
- h. ratify on the basis of best contracts for Smith Medical ASD, Inc. and Arizant Healthcare, Inc. for patient warming products in the estimated amount of \$294,969 (Smith Medical ASD, Inc., \$58,029; Arizant Healthcare, Inc., \$236,940) for the term August 1, 2009 through July 31, 2010.
- i. award on the basis of best proposal meeting requirements for ShiftWise for a Staffing Vendor Management System (VMS) in the amount of \$33,000 (July 1, 2010 through January 1, 2011; \$66,000 per year during the remaining renewal options) for the term one-year upon execution of Agreement with four one-year renewal options.
- j. award on the basis of best proposal meeting requirements for Elekta Inc. to provide linear accelerators and treatment planning software at the new imaging center for the Hospital District in the estimated amount of

- \$6,629,697 (year 1 and an estimated amount of \$9,191,297 for the 5-year period) for the term one-year upon execution of Agreement with four one-year renewal options.
- k. award on the basis of only quote for DIR through Mark III Systems for IBM hardware and software licenses for business intelligence in the amount of \$159,797 for the term February 1, 2010 through January 31, 2011.
 - l. award on the basis of only quote for DIR through Cima Solutions Group, LTD for SAP Business Objects software license and maintenance fees for business intelligence in the amount of \$825,894 for the term February 1, 2010 through January 31, 2011.
 - m. award on the basis of low quote for Jimenez Contract Services, HBI Office Solutions, and Vanguard Environments for office furniture for Quentin Mease Physical Therapy Offices in the total multi-vendor amount of \$114,811 (Jimenez Contract Services, \$15,706-Group 2; HBI Office Solutions, \$35,553-Group 4; Vanguard Environments, \$63,552-Groups 1&3).
 - n. award on the basis of low quote for Mark III Systems, Inc. for IBM data storage expansion in the amount of \$143,118.
 - o. award on the basis of low quote for GSA through DLT Solutions, Inc. for Oracle Software licenses for business intelligence in the amount of \$131,149 for the term February 1, 2010 through January 31, 2011.
 - p. award on the basis of low bid for Parallax Builders for restroom renovation at Ben Taub General Hospital in the amount of \$190,150.
 - q. award on the basis of lowest priced contract for GE Medical Systems to provide a Proteus Radiology System with tables (2 ea.) for the Lyndon B. Johnson General Hospital Emergency Center expansion in the amount of \$144,672.
 - r. WITHDRAWN.
 - s. WITHDRAWN.
 - t. award on the basis of sole source for MedQuist Transcriptions, Ltd. for MedQuist Hardware and Software Licensees for upgrade of the Laboratory Transcription System in the amount of \$159,957 for the term March 1, 2010 through February 28, 2011.
 - u. approval of renewal on the basis of sole source for Oracle USA, Inc. for maintenance and support for PeopleSoft Software License in the estimated amount of \$418,314 for the term February 28, 2010 through February 27, 2011.

- v. award on the basis of best contract for Philips Medical Systems NA Company to provide a Computed Tomography (CT) Scanner for the new Holly Hall Radiation Therapy, Diagnostic Imaging and Specialty Clinic in the amount of \$698,432.
- w. approval of additional funds for The Methodist Hospital for on call healthcare services in the estimated additional amount of \$360,000 for the term July 1, 2009 through June 30, 2010 (the Board previously approved funds in the amount of \$100,000 for the term July 1, 2009 through June 30, 2010).
- x. ratify additional funds for AutoMed Technologies, Inc. through Pharmacy Healthcare Solutions, Ltd. for 340B Split-Billing Pharmacy Software System in the estimated additional amount for recovery services of \$186,239 (Board previously approved funds for software in the amount of \$74,268) for the term August 8, 2008 through August 7, 2009.
- y. approval of additional funds and an extension for Siemens Healthcare Diagnostics, Inc. (PP-LA-199) to provide chemistry analyzers, reagents, consumables and services for testing in the estimated additional amount of \$960,894 for the extended term January 1, 2010 through June 30, 2010 (estimated additional funds in the amount of \$89,005 for term June 1, 2008 through December 31, 2009; Board previously approved funds in the amount of \$2,150,653 for the term June 1, 2008 through December 31, 2009).
- z. approval of additional funds and an extension for Siemens Healthcare Diagnostics, Inc. (PP-LA-197) to provide immunochemistry analyzers, reagents, consumables and services in the estimated additional amount of \$660,432 for the extended term January 1, 2010 through June 30, 2010 (estimated additional funds in the amount of \$165,108 for term July 1, 2008 through December 31, 2009; Board previously approved funds in the amount of \$1,803,208 for the term July 1, 2008 through December 31, 2009).
- aa. approval of additional funds and an extension for Sysmex America, Inc. (PP-LA-203) to provide hematology analyzers, reagents, consumables and services in the estimated additional amount of \$71,911 for the extended term January 1, 2010 through March 31, 2010 (Board previously approved funds in the amount of \$711,503 for the term January 1, 2008 through December 31, 2009).
- bb. approval of additional funds for Ventana Medical Systems, Inc. for immunohistochemistry staining and special staining system in the estimated additional amount of \$82,762 for the term March 1, 2009 through February

- 28, 2010 (Board previously approved funds in the amount of \$363,485 for the term March 1, 2009 through February 28, 2010).
- cc. approval of corrected term for Rx.com Partners, L.P. for centralized processing of outpatient prescriptions for the term November 30, 2009 through November 29, 2010 (Board previously approved funds in the amount of \$2,940,000 for the term November 1, 2009 through October 31, 2010).
 - dd. approval of additional funds for Adil Business Systems, Inc. (Category 2), Computer Task Group, Inc. (CTG) (Category 1), Elite Computer Consultants, L.P. dba ECOM (Category 2), Holland & Davis, LLC (Category 6), Idea Integration Corp. (Category 1 and 7), International Business Machines Corporation (IBM) (Category 5), Nimble Services, Inc. (Category 7), and Onur Ulgen dba Production Modeling Corp (PMC) (Category 6) for Information Technology Consulting/Contracting in the estimated additional amount of \$2,959,170 for the term September 1, 2009 through August 31, 2010 (Board previously approved funds in the amount of \$1,174,080 for the term September 1, 2009 through August 31, 2010).
 - ee. approval of additional funds for Aetna Life Insurance Company to provide fully insured long term disability coverage for Hospital District employees in the estimated additional amount of \$306,836 for the term March 1, 2009 through February 28, 2010 (Board previously approved funds in the amount of \$1,300,726 for the term March 1, 2009 through February 28, 2010).
 - ff. approval of additional funds for Aetna Life Insurance Company to provide fully insured long term disability coverage for Hospital District employees in the estimated additional amount of \$192,270 for the term March 1, 2009 through February 28, 2010 (Board previously approved funds in the amount of \$2,384,474 for the term March 1, 2009 through February 28, 2010).
 - gg. approval of additional funds for United Healthcare Insurance Company to provide dental PPO coverage for Hospital District employees in the estimated additional amount of \$369,064 for the term March 1, 2009 through February 28, 2010 (Board previously approved funds in the amount of \$1,363,798 for the term March 1, 2009 through February 28, 2010).
 - hh. approval of additional funds for Hartford Life & Accident Insurance Company to provide life insurance and accidental death and dismemberment coverage for Hospital District employees in the estimated additional amount of \$169,866 for the term March 1, 2009 through February 28, 2010 (Board previously approved funds in the amount of \$1,683,659 for the term March 1, 2009 through February 28, 2010).

- ii. approval of additional funds for Epic Systems Corporation to provide maintenance and support for all Epic software in the estimated additional amount of \$283,349 for the term April 1, 2009 through March 31, 2010 (Board previously approved funds in the amount of \$1,936,298 for the term April 1, 2009 through March 31, 2010).
- jj. approval of the second and final renewal option for Shared Technologies, Inc. for maintenance of telephone and voice communication systems in the estimated amount of \$602,000 for the term March 1, 2010 through February 28, 2011.
- kk. approval of the first of three renewal options for DynaGene – a LabCorp Company for special reference laboratory testing in the estimated amount of \$616,541 for the term February 1, 2010 through January 31, 2011.
- ll. approval of the second of four renewal options for Becton Dickinson Diagnostic Systems for PCR/Genotyping and GC/Chlamydia testing in the estimated amount of \$399,500 for the term February 4, 2010 through February 3, 2011.
- mm. approval of the first of four renewal options for Siemens Medical Solutions, USA, Inc. to provide remedial maintenance service for CT Scanners and Leonardo Workstations in the estimated amount of \$529,774 for the term March 1, 2010 through February 28, 2011.
- nn. approval of the second of four renewal options for CareFusion Solutions, Inc. formerly Cardinal Health 301, LLC (PP-CE-383) to provide automated medication and dispensing cabinets at Ben Taub and Lyndon B. Johnson General Hospitals and Quentin Mease Community Hospital in the estimated amount of \$1,325,664 for the term March 1, 2010 through February 28, 2011.
- oo. approval of the second of four renewal options for MC AnalyTXs, Inc. for a claims payment analysis tool in the estimated amount of \$150,000 for the term February 18, 2010 through February 17, 2011.
- pp. approval of the second of four renewal options for IKON Office Solutions for photocopier services in the estimated amount of \$440,000 for the term March 1, 2010 through February 28, 2011.
- qq. approval of the first of four renewal options for Johnson Controls for maintenance and service of building automation HVAC System in the estimated amount of \$240,932 for the term February 1, 2010 through January 31, 2011.

- rr. approval of the fourth and final renewal option for Professional Systems Corporation dba PSC Info Group for patient billing services in the estimated amount of \$600,000 for the term March 1, 2010 through February 28, 2011.
- ss. approval of the first and final renewal option for Enterprise Systems Corporation for Nortel telephones and equipment in the estimated amount of \$250,000 for the term March 1, 2010 through February 28, 2011.
- tt. ratify purchase as an exception to the Harris County Hospital District Purchasing Manual requirements for HCSG Cardiovascular Resources, Inc. (HCSG) for extracorporeal (perfusion) services in the estimated amount of \$87,300 for the term January 11, 2010 through June 10, 2010 with four one-year renewal options.
- uu. WITHDRAWN.
- vv. ratify utilization for Language Line Services, Inc. for language interpretation services (telephonic) in the estimated amount of \$152,000 for the term August 1, 2009 through July 31, 2010.
- ww. ratify purchase on the basis of best contracts for C.R. Bard, Inc.-Davol, Inc. (\$27,452), W.L. Gore & Associates, Inc. (\$31,736), and Ethicon, Inc. (\$139,094) for surgical mesh products in the total estimated multi-vendor amount of \$198,282 for the term December 1, 2009 through November 31, 2010.
- xx. ratify purchase on the basis of sole source for T-System, Inc. to provide a patient documentation and charting system for Ben Taub General Hospital Emergency Center in the amount of \$135,048 for the term November 21, 2009 through November 20, 2010.
- yy. ratify additional funds and an extension for Baylor College of Medicine for perfusion services in the estimated additional amount of \$46,350 for the extended term of July 1, 2009 through November 5, 2009 (Board previously approved funds in the amount of \$220,000 for the term July 1, 2008 through June 30, 2009).
- zz. ratify additional funds for KLS Martin L.P., Stryker Leibinger Craniomaxillofacial, and Synthes Craniomaxillofacial for craniomaxillofacial and neurosurgical craniofacial implants and related products in the estimated additional amount of \$250,000 for the term July 1, 2009 through June 30, 2010 (Board previously approved funds in the amount of \$690,000 for the term July 1, 2009 through June 30, 2010).
- aaa. ratify a month-to-month extension for Aetna Life Insurance Company to fund the fully insured Medical Advantage Plan for retirees over 65 years of

age in the estimated additional amount of \$687,774 for the extended term January 1, 2010 through February 28, 2010 (\$126,219 estimated additional funds for the term January 1, 2009 through December 31, 2009; Board previously approved funds of \$3,740,000 for the term January 1, 2009 through December 31, 2009).

bbb. approval of donation from Sonosite for SonoSite Portable M-Turbo Ultrasound Scanning System for the Ben Taub General Hospital Emergency/Trauma Center in the estimated value of \$64,571.

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

- a. transmittal of purchase for Faxitron X-Ray to provide a surgical specimen radiography system for Ben Taub General Hospital Mammography Department in the amount of \$92,850.
- b. transmittal of purchase on the basis of low quote for DIR through NWN Corporation for Cisco Smartnet Equipment for Martin Luther King Health Center in the amount of \$50,946.
- c. transmittal of award on the basis of low bid for Sensotech, Inc. for a wireless temperature monitoring system in the amount of \$67,020.
- d. transmittal of award on the basis of low bid for Neon Electric Corp. to furnish and install interior signage for the El Franco Lee Health Center in the amount of \$30,539.
- e. transmittal of funding on the basis of sole source for Kimberly-Clark Corporation (PP-NS-569) for closed ventilation suction products in the estimated amount of \$81,686 for the term December 1, 2009 through November 31, 2010.
- f. transmittal of purchase on the basis of sole source for Covidien for Parietex™ Polyester Surgical Mesh in the amount of \$60,682.
- g. transmittal of renewal on the basis of sole source for McKesson Information Solutions, Inc. for maintenance and support for the Trendstar Decision Support Software in the estimated amount of \$74,760 for the term January 1, 2010 through December 31, 2010.
- h. transmittal of purchase on the basis of sole source for Q-Matic Corporation for Q-Matic software support and maintenance in the estimated amount of \$50,638 for the term March 1, 2010 through February 28, 2011.
- i. transmittal of renewal on the basis of sole source for The SSI Group, Inc. for electronic claims processing license fee and maintenance in the amount of \$70,576 for the term January 1, 2010 through December 31, 2010.

- j. transmittal of purchase on the basis of sole source for Dynasplint Systems, Inc. for certain durable medical equipment, orthotic items and associated services in the estimated amount of \$50,000 for the term September 1, 2009 through August 31, 2010.
- k. transmittal of purchase on the basis of lowest complete contract for Medline Industries, Inc. for mobility aids in the estimated amount of \$67,279 for the term December 22, 2009 through December 21, 2010.
- l. WITHDRAWN.
- m. transmittal of the second of four renewal options for C + R Awards Incentives, Inc. to provide service awards for employees in the estimated amount of \$17,281 for the term March 1, 2010 through February 28, 2011.
- n. transmittal of the second of four renewal options for ETS, Inc. for gas monitoring and assessments, piped medical gas system assessment and preventive maintenance, operating and negative pressure isolation rooms ventilation assessments, and minor and emergency gas system repairs in the estimated amount of \$58,390 for the term March 1, 2010 through February 28, 2011.
- o. transmittal of second of four renewal options for Water and Power Technologies, Inc. for deionized water service in the estimated amount of \$55,000 for the term January 1, 2010 through December 31, 2010.
- p. transmittal of utilization for Paintco for paint and related items in the estimated amount of \$20,000 for the term August 1, 2009 through July 31, 2010.

VIII. Consideration of Acceptance of the FY2011 Operating and Capital Budget

Agenda Item IX.C.21 was taken out of order.

Mr. Gaenzel presented the FY2011 operating and capital budget. He referred to the >65 retiree medical renewal options, stating that the action taken by the Board would put them into option #5 (\$49,403,000). The budget presented has option #1 (\$41,218,000). He referred to the walkforward, stating that management longevity pay was added back to the budget. Corrections were made to previous estimates in the budget. The estimate for employee health was reduced based on wellness activities and health assessments. An update was also made to UPL funding, a reduction in minor equipment was made as well as a reduction in travel, consulting, and other controllable purchased services. Mr. Lopez stated that the District, with the Board's permission, would like to go to the court with a breakeven budget. Discussion ensued. Ms. Truesdell noted that the budget is missing items 1-9 on revenues. Mr. Gaenzel stated that this would be sent to the Board. Mr. Lopez stated that the final

date for posting of a public hearing is February 9, 2010. A Called Board Meeting will be held on Thursday, February 4, 2010 at 9 a.m. Mr. Lopez stated that the budget would be sent to the Board by Tuesday, February 2, 2010. Mr. Franklin stated that he would still like to see an A, B, and C budget to work from including 1) what it actually costs to take care of customers at the current market; 2) take the current budget for last year and show what services can be provided with the monies available; and 3) any suggestions for possibly modifying services.

Ms. Truesdell referred to the capital budget, stating that the Board received a list of actual projects in the past. It was stated that Mr. Tindle will bring back a presentation on Information Technology to the February 4, 2009 Called Board meeting. Discussion ensued regarding current capital projects. Approval of the budget will be held until February 4, 2010.

IX. Reports of the Committees

Agenda Item IX.C (Planning and Operations Committee) was addressed out of order.

Agenda Item IX.D (Audit Committee) was addressed out of order.

A. Joint Conference Committee

Dr. Santos addressed the Credentialing Report, stating that some of the tabs for board certification are not listed with the new format. Dr. Sutton stated that they are working to make sure the drop down tabs have actually been put into the system. Dr. Santos stated that many of the time periods for academic appointments are left blank. Discussion ensued regarding emergency privileges. Dr. Santos asked if there was a mechanism to designate the supervising attending for NPs and PAs. Dr. Varadhachary asked if exit interviews were done when medical staff resigns. Dr. Sutton stated no, but he would look into it. Mr. Lopez asked if the Board liked the new format of the report. Dr. Santos stated that it is much more appropriate information for the Board to have. Mr. DonCarlos stated that he signs applications on behalf of the Board, but he received two cases recently where one had already been signed by him and one was not signed by the Medical Executive Board. He asked if this had been corrected. Dr. Sutton stated yes.

Ms. Truesdell stated that there is no Medical Board Report included in today's packet. This is often the best way for the Board to know what is occurring in the District. This is a very important document for the Board to have and asked that the report be provided in the future.

Dr. Varadhachary asked what happens when a physician has a positive PPD. Dr. Sutton stated that they answer a series of questions, depends on results.

Dr. Peter Doyle presented the credentialing changes for members of the HCHD medical staff for January. A copy of the report is available in the permanent record.

Motion 10.1-09

Moved by Dr. Santos, seconded by Ms. Stiner, and unanimously passed, that the Board approve the January credentialing changes for members of the HCHD Medical Staff.

B. Budget and Finance Committee

Mr. Gaenzel presented the December 2009 Financial Report. He stated that patient volume in December was consistent with previous months. An audit was done of DSH and UPL and the Hospital District was one of many hospitals that received an overpayment (\$10 million). Some of these monies will need to be paid back in February. The major teaching hospitals in the state met and agreed that the other hospitals would transfer \$5 million back to the District so they would not have to absorb the \$10 million all on their own. Discussion ensued regarding regional UPL versus state UPL. Dr. Santos asked for a presentation at the next committee meeting showing how the state and regional system works. A copy of the November 2009 and December 2009 reports are available in the permanent record.

1. Motion 10.1-10

Moved by Mr. Franklin, seconded by Dr. Santos, and unanimously passed, that the Board accept the November 2009 and December 2009 Financial Reports subject to audit.

Mr. Gaenzel presented the December 2009 Pension Plan Report. The plan is 83.4% funded as of the end of December. A copy of the November 2009 and December 2009 Pension Plan Reports are available in the permanent record.

2. Motion 10.1-11

Moved by Ms. Stiner, seconded by Mr. Franklin, and unanimously passed, that the Board accept the November 2009 and December 2009 Pension Plan Reports subject to audit.

Mr. Gaenzel presented the Third Quarter Investment Report. A copy of the Third Quarter Investment Report is available in the permanent record.

3. Motion 10.1-12

Moved by Ms. Spinks, seconded by Mr. Franklin, and unanimously passed, that the Board accept the Third Quarter Investment Report subject to audit.

4. Presentation of the November 2009 and December 2009 Financial Statements of Community Health Choice, Inc.

Mr. Ken Janda presented the November 2009 and December 2009 CHC Financial Reports. He stated that there was a drop in membership in October, but membership improved in November, December, and January. There will be

another drop in membership in January, which is due to Medicaid enrollment in the state. Medicaid enrollment in the state has gotten much attention lately, and there is optimism that this problem will be resolved. He stated that he met with Mr. King Hillier and the new State Medicaid Director. This problem expands beyond CHC and is impacting all health plans state-wide. There was a slight increase in medical expenses, and it is believed that this is attributed to H1N1 and other respiratory issues. The report shows a loss of approximately \$2.5 million in December, but the full gain for the year is approximately \$16 million. A copy of the November 2009 and December 2009 reports are available in the permanent record.

C. Planning and Operations Committee

Agenda Item IX.C.1 was pulled from the agenda.

Motion 10.1-05

Moved by Ms. Truesdell, seconded by Ms. Stiner, and unanimously passed, that the Board approve agenda items IX.C.2-IX.C.17.

1. WITHDRAWN. Approval to enter into an Inter-local Agreement between the Harris County Hospital District and Harris County for the leasing of approximately 3.37478 Acres of District-owned property adjacent to El Franco Lee Health Center for the development of a recreational area to benefit District patients at a rate of \$1/year for the term March 1, 2010 through the last day of February 2035.
2. Approval to enter into the 2nd annual renewal of two (2) Professional Service Agreements with EFI Global, Inc. to provide asbestos consulting & bidding/reporting/monitoring services plus environmental & indoor air quality services for FY2011 construction projects at designated facilities throughout the Harris County Hospital District in the not-to-exceed amount of \$100,000 for asbestos consulting & bidding/reporting/monitoring services and \$100,000 for environmental & indoor air quality services.
3. Approval to renew the Professional Services Agreement with Professional Services Inc. (PSI) to provide materials testing, forensic testing, and cleanup for FY2011 construction projects at designated facilities throughout the Harris County Hospital District in the estimated, not-to-exceed amount of \$200,000.
4. Approval to correct the rate per parking space in Board Motion 09.10-130 (E) for Lease Option 1 of the Lease Agreement with Kynto Ventures, LLC, for the leasing of 50 parking spaces for additional employee parking at Peoples Health Center at a rate of \$40 per parking space (\$2,000/month) for the term January 1, 2010 through December 31, 2010.

5. Approval to correct the term dates in Board Motion 09.9-111 (E) for the 2nd Term of the Lease Agreement with Warehouse Associates Corporate Centre Kirby III, Ltd., for the leasing of approximately 117,774 square feet of space at a monthly rate of \$167,827.95 (\$2,013,935.40/year) for the term December 1, 2009 through November 30, 2010.
6. Approve of the Settlement Agreement between the Harris County Hospital District/Health Care for the Homeless Program and the Cenikor Foundation in the not-to-exceed amount of \$315,818 in grant funds for the term November 1, 2008 through October 31, 2009.
7. Ratification of an Amended Agreement between the Harris County Hospital District and Harris County, to provide medical case management services funded under Ryan White Modernization Act Part A to eligible HIV-infected individuals decreasing funding in the amount of \$100,000 for the term March 1, 2009 through February 28, 2010 (this amendment is a decrease in funding from the original agreement of \$766,440 to \$666,440).
8. Ratification of an Amended Agreement between the Harris County Hospital District and Harris County funded under Ryan White Modernization Act Part A to provide primary medical care to eligible HIV-infected individuals in the amount of \$100,000 for the term March 1, 2009 through February 28, 2010 (this amendment increases the original agreement of \$4,810,254 to \$4,910,254).
9. Ratification of grant award from the United States Department of Health and Human Services Administration to the Harris County Hospital District to provide early intervention services with respect to HIV disease under Ryan White Part C to eligible HIV-infected patients at District facilities in the amount of \$819,196 for the term January 1, 2010 through December 31, 2010.
10. Ratification of an agreement between the Harris County Hospital District and Baylor College of Medicine, Department of Medicine to provide physician services in the amount of \$39,658 funded under Ryan White Modernization Act Part C to eligible HIV-infected individuals for the term January 1, 2010 through December 31, 2010.
11. Ratification of an agreement between the Harris County Hospital District and The University of Texas Health Science Center, to provide physician services in the amount of \$20,230 funded under Ryan White Modernization Act Part C to eligible HIV-infected individuals for the term January 1, 2010 through December 31, 2010.
12. Ratification of an agreement between the Harris County Hospital District and Baylor College of Medicine, Department of Family & Community Medicine to provide physician services in the amount of \$70,160 funded under Ryan White

Modernization Act Part C to eligible HIV-infected individuals for the term January 1, 2010 through December 31, 2010.

13. Approval of a Facilities Use Agreement between the Harris County Hospital District and Houston Volunteer Lawyers to provide legal consultation to eligible HIV-infected individuals for the term March 1, 2010 through February 28, 2011.
14. Ratification of an agreement between the Harris County Hospital District and Texas Department of State Health Services to provide an HIV Perinatal Transmission Prevention Program for hospital labor & delivery units throughout Texas in the amount of \$140,000 for the term January 1, 2010 through December 31, 2010.
15. Ratification of an agreement between the Harris County Hospital District and Baylor College of Medicine, to provide HIV Perinatal Transmission Program education, training, consultation and evaluation services funded by Texas Department of State Health Services to selected hospital labor & delivery units throughout Harris County in the amount of \$35,832 for the term January 1, 2010 through December 31, 2010.
16. Ratification of an agreement between the Harris County Hospital District and City of Houston Department of Health and Human Services to provide expanded and integrated HIV testing for populations disproportionately affected by HIV at District Facilities in the amount of \$244,960 for the term September 30, 2009 through September 29, 2010.
17. Ratification of an agreement between the Harris County Hospital District and Baylor College of Medicine, Department of Pediatrics funded under Ryan White Modernization Act Part D to provide pediatrician services to eligible HIV-infected adolescents at District Facilities in the amount of \$34,840 for the term September 1, 2009 through August 31, 2010.

Ms. Gould presented the revised Workers' Compensation Policy 6.34 for approval.

18. Motion 10.1-06

Moved by Mr. Wortham, seconded by Mr. Franklin, and unanimously passed, that the Board approve the Workers' Compensation Policy 6.34 effective immediately.

Ms. Gould presented the revised Conflict Resolution in the Workplace Policy 6.39 for approval.

19. Motion 10.1-07

Moved by Mr. Wortham, seconded by Mr. Franklin, and unanimously passed, that the Board approve the Conflict Resolution in the Workplace Policy 6.39 effective immediately.

Ms. Gould stated that part of the process for employees who qualify for disability is getting them certified for social security. It is being recommended that all employees eligible for disability apply for Medicare primary. Discussion ensued. Dr. Santos asked if there was a financial impact on the employee. Ms. Gould stated that the cost is based on income and is up to \$1200 per year. Discussion ensued regarding the impact this action would have on employees. It was stated that the Board needed information on the financial impact for switching to Medicare primary and the impact in terms of prescription coverage. Ms. Gould stated that she would bring this information back to the Board. The movement of social security disability claimants to Medicare Primary effective March 1, 2010 was postponed until the February 25, 2010 meeting.

20. Approval of movement of Social Security Disability Claimants to Medicare Primary effective March 1, 2010 for the Harris County Hospital District.

Mr. DonCarlos addressed item IX.C.21, stating that the Board agreed in the motion to move the retirees back to the self-insured plan if something was to happen to the Aetna Medicare Advantage PFFS Plan. Mr. Franklin questioned how old the new plan was. Ms. Gould stated that it is a new plan. Mr. DonCarlos stated that the Board made a commitment to the retirees that they would be provided with a certain health insurance plan, and the right thing to do is to move them back to the self-insured plan as originally stated. Questions were raised regarding the additional cost. Ms. Gould stated that it is an approximate \$1.27 million difference and the GASB cost is about \$13 million more. The District is required by law to account for and report the current retiree medical costs as well as future costs for those that have not retired yet. Discussion ensued. Mr. Franklin asked how the county was addressing this issue. Ms. Gould stated that the county raised the requirement for years of service and those that were eligible for retiree health care back in 2006. The county also reduced the amount paid for dependents. Mr. Franklin stated that this is something that needs to be worked on and studied at a later time.

21. **Motion 10.1-04**

Moved by Mr. Wortham, seconded by Ms. Stiner, and unanimously passed, that the Board approve the movement of all Harris County Hospital District >65 retiree plan participants from the Aetna Medicare Advantage PFFS Plan to the HCHD Self-insured Plan effective March 1, 2010.

Dr. Hilliard presented a request to ratify a subaward agreement between the Harris County Hospital District and The University of Texas M.D. Anderson Cancer Center for dissemination of a smoking quitline to the underserved. Dr. Varadhachary recused himself from agenda item IX.C.22.

22. Motion 10.1-08

Moved by Mr. Wortham, seconded by Ms. Stiner, and unanimously passed, that the Board approve ratification of a Subaward Agreement between the Harris County Hospital District and the University of Texas M.D. Anderson Cancer Center for dissemination of a smoking quitline to the underserved

D. Audit Committee

Mr. Gaenzel presented the Deloitte 2010 Audit Client Service Plan for information. He introduced Mr. Rodney Lenfant and Ms. Kathleen Zuniga from Deloitte. Mr. Lenfant stated that he worked with the Hospital District for the past three years and is retiring from Deloitte. Ms. Kathleen Zuniga has been identified as his successor. Ms. Zuniga stated that page 12 of the plan lists all team members. She referred to page 5 of the plan, which included key areas for review (including UPL, 3rd party settlements, and any actuarial liabilities). Another area where inquiries are made is the management perspective of fraud. Ms. Leal noted that the engagement letters are drafts. Discussion ensued regarding the audit schedule. Mr. Lopez thanked Mr. Lenfant for all of his work over the past years. A copy of the report is available in the permanent record.

E. Legislative Committee

1. Update, discussion and possible action regarding activities in Austin relating to regulatory issues impacting HCHD, the 81st Legislative Session and the HCHD legislative platform
2. Update, discussion and possible action regarding pending federal legislative, line items and policy issues affecting HCHD

Mr. King Hillier and Ms. Mary Schneider presented the Legislative Committee Report. Mr. Hillier stated that they now have the final numbers for the 2010 line items. Ms. Schneider stated that the Hospital District is receiving \$550,000 (\$300,000 for radiological equipment, \$100,000 for nurse triage system, and \$150,000 for fetal heart monitors). This is attributed to the work of our delegation members.

Mr. Hiller presented a quick overview at the state level. The state budget does not look good. The economic projections from the comptroller office are that we should see the economy start to turn, but not soon enough. He addressed the national level, stating that the President spent 3-5 minutes on healthcare reform at the State of the Union Address. Mr. Hillier and Ms. Schneider will be meeting with Sen. John Cornyn's staff in regards to the jobs bill. He addressed healthcare reform, stating that he did not believe anything would be done before March. He noted that UPL and DSH could be in danger without reform.

X. Miscellaneous Agenda Items

Motion 10.1-13

Moved by Mr. Franklin, seconded by Dr. Santos, and unanimously passed, that the Board approve agenda items X.A and X.B.

- A. Approval of resolution ratifying the agreement between the Harris County Hospital District and Texas Medical Center, Inc. for parking for 1,800 employees and medical staff at La Lot and Ac Lot on the Leland Anderson Campus and the South Extension Lot at 1522 Braeswood at a cost of \$61.50 per month up to a maximum of 1,800 parkers per month for a total annual cost not to exceed \$1,328,400 for the period January 1, 2010 – December 31, 2010.
- B. Approval of resolution ratifying the agreement between the Harris County Hospital District and Textac Partners I to provide security service for the visitor parking area at LBJ General Hospital. This agreement will provide security services billed to Textac at the rate of \$13.75 per hour, with an OT rate of \$20.63 for any hours over 252 per week for the term January 1, 2010 through December 31, 2010.

C. Motion 10.1-14

Moved by Ms. Truesdell, seconded by Mr. Wortham, and unanimously passed, that the Board approve the acceptance of the donation of a Sonosite M-Turbo P21x Ultrasound and HFL38x Transducers.

D. Motion 10.1-15

Moved by Mr. Wortham, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the Upper Payment Limit Program Compliance Policy.

Agenda Item X.E. was addressed under Agenda Item IV (Motion #10.1-02)

- E. Approval of the appointment of a Board Committee for strategic planning.

XI. President/Chief Executive Officer's Report to Include: 1) Operating Performance Strategies; 2) Update on Regional UPL; and 3) Baylor College of Medicine

Operating Performance Strategies

Update on Regional UPL was addressed out of order.

Baylor College of Medicine was addressed out of order.

Mr. Lopez addressed operating performance strategies moving forward. He addressed the reporting of financials, stating that Administration is working to separate BTGH, LBJ, and the CHP for reporting purposes. This will allow for some accountability with the different sites. There are also meetings with the medical schools to determine how best to create a best practice model. The organization also needs to start looking at patients as more of a managed care population. Healthcare expenses for employees have

increased by 37% in the past two years. The District will look at opportunities to reduce this cost. A health assessment was provided to employees two years ago and only 3% of staff completed it. They were incentivized to complete the assessment this year and 65% of staff completed it. These are culture changes, which are the hardest changes to make. They are challenging themselves through this next year to bring ideas and concepts that might be a little different.

Update on Regional UPL

Mr. Lopez presented an update on Regional UPL. He stated that there has been much discussion regarding the Board approval of an affiliation agreement with St. Joseph's, and these issues have been resolved. Dr. Santos stated that he would still like to have some review of where they are in terms of regional UPL and state UPL.

Baylor College of Medicine

Mr. Lopez stated that there has been recent discussion regarding Baylor College of Medicine partnering with Rice. Anything involving Baylor or UT impacts the District as they are part of the AMS agreement. As of this morning, Baylor made the decision to proceed as independent.

Dr. Mattox stated that the relationship will be just as strong if not stronger. There are 600 graduates of medical schools across the country that want to go into surgery and all want to come to Baylor Department of Surgery because of the District. This is due to the relationship between Baylor and the Hospital District. Dr. Santos asked if Baylor was breaking ground on the new psychiatric hospital next month. Dr. Mattox stated that he did not know, but would get that information.

XII. Executive Session

At 11:54 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 Sections 071 and 074. Mr. DonCarlos stated that the regular meeting of the Board would reconvene at the close of Executive Session.

XIII. Reconvene

At 1:47 p.m., Mr. DonCarlos reconvened the meeting and stated that no action was taken in Executive Session.

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

No action taken.

- B. Consultation with the County Attorney regarding filing a lawsuit against Universal Fidelity LP, pursuant to Tex. Gov't Code Ann. §551.071 and possible action regarding this matter upon return to open session.

Motion 10.1-16

Moved by Ms. Truesdell, seconded by Ms. Stiner, and unanimously passed, that the Board adopt the following resolution:

The Harris County Hospital District, by and through its Board of Managers, approves the filing of a lawsuit against Universal Fidelity LP for unauthorized endorsement of a \$5,000 check from Stern, Miller, & Higdon in payment of a hospital lien, and authorizes the President/CEO on behalf of the District to execute any necessary documents to effect the filing of this lawsuit.

- C. Consultation with the County Attorney regarding a declaratory judgment action in Case No. 05-0748, *Southwestern Bell Telephone Company v. Marketing On Hold, Inc. d/b/a Southwestern Tariff Analyst* ("STA"), 170 S.W.3d 814 (Tex. App. – Corpus Christi 2005, review granted), pursuant to Tex Gov't Code Ann. §551.071 and possible action regarding this matter upon return to open session.

Motion 10.1-17

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

The Harris County Hospital District, by and through its Board of Managers, authorizes the County Attorney to file on behalf of Harris County Hospital District a declaratory judgment action from the litigation stay and delay in the class-action certification decision pending in Case No. 05-0748, *Southwestern Bell Telephone Company v. Marketing On Hold, Inc. d/b/a Southwestern Tariff Analyst* ("STA"), 170 S.W.3d 814 (Tex. App.-Corpus Christi 2005, review granted), and authorizes the President/CEO on behalf of the District to execute any necessary documents to effect this action.

- D. Consultation with the County Attorney regarding a proposed settlement for lost/missing home medical equipment with American Medical Equipment Co., pursuant to Tex. Gov't Code Ann. §551.071 and possible action regarding this matter upon return to open session.

No action taken.

- E. Consideration of an employment contract with the President/CEO, pursuant to Tex. Gov't Code Ann. §551.074 and possible action regarding this matter upon return to open session.

No action taken.

XIV. Adjournment

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

There being no further business, the meeting adjourned at 1:48 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 January 28, 2010.

Mr. Stephen DonCarlos, Chair
Board of Managers

Mr. E. Dale Wortham, Secretary

Recorded by Christie Reno