



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

Thursday, October 28, 2010

Board Room – Administration Building

BOARD MEMBERS PRESENT

Ms. Carolyn Truesdell, Vice Chair
Mr. E. Dale Wortham, Secretary
Dr. Atul Varadhachary
Mr. Lawrence Finder
Ms. Daisy Stiner

BOARD MEMBERS ABSENT

Mr. Stephen DonCarlos, Chair
Dr. George Santos
Mr. Elvin Franklin, Jr.
Ms. Mary Spinks

OTHERS PRESENT

Mr. David Lopez, President & Chief Executive Officer
Mr. George Masi, Chief Operating 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 (9:10am)
Ms. Gloria Moreno, Commissioner Sylvia Garcia's Office (9:10am)
Ms. Elizabeth Neal, Commissioner Jerry Eversole's Office (9:15am)
Mr. Lester Byrd, Commissioner El Franco Lee's Office (9:30am)
Administrative Staff
Guests
(Sign-in Sheets attached to permanent record)

I. Call to Order and Record of Attendance

II. Approval of Minutes of Previous Meetings

Ms. Carolyn Truesdell, Vice Chair, called the meeting to order at 9:06 a.m. and noted that a quorum was present. The attendance was recorded.

Motion 10.10-148

Moved by Mr. Wortham, seconded by Ms. Stiner, and unanimously passed, that the Board approve the minutes of the September 30, 2010 Board of Managers Meeting.

III. Oath of Office

Ms. Beverly Kaufman, County Clerk, Harris County, was present and administered the oath of office to: Dr. Atul Varadhachary, Mr. Larry Finder, and Ms. Carolyn Truesdell. These three board members were reappointed by Commissioners Court at their meeting earlier this week. They will each serve a two-year term.

IV. Hear from Citizens

Mr. Avery Cooper of AFSCME 1550 was present to address concerns regarding an employee and the HCHD failure to follow policy. Ms. Truesdell stated that it is inappropriate in open session to discuss individual employees. This matter belongs to human resources. Ms. Stiner asked Administration to follow up on this matter.

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

A. Items related to Purchasing

Motion 10.10-149

Moved by Mr. Wortham, seconded by Ms. Stiner, and unanimously passed, that the Board approve items A(1)a-A(1)gg with the exception of item A(1)g.

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

- a. approve correct amount and term for Siemens Healthcare Diagnostics, Inc. (PP-LA-197 and PP-LA-199) for chemistry & immunochemistry analyzers, automation, reagents, consumables and service in the amount of \$2,800,000 (annual amount for a three-year agreement as corrected. \$2,560,146 annual amount for a five-year agreement as approved).
- b. approve the correct term for Infinity Systems, Inc. to provide HVAC equipment maintenance and repair services in the amount of \$489,500 for the term September 16, 2010 through September 15, 2011 (correct term). September 1, 2010 through August 31, 2011 (as approved).
- c. approve the guaranteed maximum price for Skanska USA Building Inc. for construction manager at risk for building construction, expansion and remodeling in the amount of \$15,455,302 (construction price) and \$800,000 (owner contingency) for a total amount of \$16,255,302.
- d. approve funding on the basis of product standardization for Medical Components Inc. (PP-NS-533) in the amount of \$56,024 and Covidien (Tyco Healthcare Group, LP The Kendall Co.) (PP-NS-531) in the amount of \$91,434 for the total estimated amount of \$147,458 for the term November 1, 2010 through October 31, 2011.

- e. approve a purchase on the basis of best contract from Philips Healthcare for ultrasonic scanning system for the Lyndon B. Johnson General Hospital emergency center expansion in the amount of \$188,596.
- f. approve a purchase on the basis of best contract from SonoSite, Inc. for four portable and three boom mounted ultrasound systems for labor and delivery required for the Lyndon B. Johnson General Hospital expansion project in the amount of \$318,624.

The following item, A(1)g was pulled from the agenda:

- g. approved awards on the basis of best proposals meeting requirements for Colonial Life (Lapham) and The LegalEASE Group for voluntary employee benefits for the term March 1, 2011 through February 28, 2012 with four one-year renewal options.
- h. approve purchase on the basis of low quote per item from Contract Resource Group/\$621; Staples-Business Interiors/\$10,738; McCoy/\$26,399; and Jimenez Contract Services/\$76,383 in a multi-vendor amount of \$114,141 for office furniture for Lyndon B. Johnson General Hospital Emergency Center-Phase 2A.
- i. approve a purchase on the basis of lowest priced contract from Centimark Corporation for roof replacement for Lyndon B. Johnson General Hospital in the amount of \$306,635.
- j. approve award on the basis of lowest priced proposal meeting requirements for SpecialtyCare Cardiovascular Resources, Inc. (f/k/a HCSG Cardiovascular Resources, Inc.) in the estimated amount of \$190,000 for one-year initial term with four one-year renewal options.
- k. approve final renewal option for JI Specialty Services for Workers' Compensation Third Party Administration and Associated Services in the estimated amount of \$3,112,000 for the term January 1, 2011 through December 31, 2011.
- l. approve additional funds for Abbott Laboratories, Inc. (PP-LA-236 fka PP-LA-162) for i-STAT analyzers/blood gas analyzers in the additional estimated amount of \$499,705 for the term August 1, 2010 through July 31, 2011. (The Board previously approved funds in the amount of \$900,000 for the term August 1, 2010 through July 31, 2011).
- m. approve additional funds for Pepper-Lawson Construction, L.P. for GI lab renovation/expansion in the amount of \$47,500 (owner contingency). (The Board previously approved funds in the amount of \$475,000).
- n. approve funding on the basis of product standardization for First Quality Products, Inc. (PP-NS-511) in the amount of \$99,168 and Medline Industries, Inc. (PP-NS-512) in the amount of \$149,640 in the multi-vendor

estimated amount of \$248,808 for the term November 1, 2010 through October 31, 2011.

- o. approve additional funds for Highlights Electrical, Inc. for Epic hardware rollout for Ben Taub General Hospital in the additional amount of \$71,302 for the term August 1, 2010 through July 31, 2011. (The Board previously approved funds in the amount of \$310,688 for the term August 1, 2010 through July 31, 2011).
- p. approve payment for ArjoHuntleigh Inc. (fka Huntleigh Healthcare LLC) (PP-NS-387) for flowtron universal intermittent pneumatic compression pumps/AC600 in the amount of \$171,900.
- q. approve an extension for: 1) AMN Healthcare, Inc.; 2) ATC Healthcare Services, Inc.; 3) Advance'd Temporaries, Inc.; 4) Advantage Nursing Services, Inc.; 5) Career Staff Unlimited, Inc.; 6) Columbia Personnel Services; 7) Matrix Healthcare Services, Inc.; 8) Medstaff, Inc.; 9) Onward Healthcare; 10) Professional Placement Resources, LLC; 11) RX Med Staff, LLC; 12) SHC Services, Inc.; 13) Star Nursing, Inc.; and 14) The Helms Group dba All Health Staffing for travel nursing personnel in the amount of \$0 estimated additional funds for the extended term of November 1, 2010 through May 31, 2011.
- r. approve funding on the basis of product standardization for Cardinal Health 200 (PP-NS-452) for surgical isolation masks in the estimated amount of \$255,148 for the term November 1, 2010 through October 31, 2011.
- s. approve funding on the basis of product standardization for Welch Allyn Inc. through Cardinal Health (PP-NS-537) for blood pressure cuffs in the estimated amount of \$506,255 for the term November 1, 2010 through October 31, 2011.
- t. approve an award for St. Luke's Episcopal Hospital to provide anticipated gastric motility studies not available at Hospital District facilities and lithotripsy for gallbladder and common bile duct post-unsuccessful attempts in the estimated amount of \$75,000 for the term August 15, 2010 through August 14, 2011.
- u. approve renewal on the basis of sole source for Siemens Medical Solutions USA, Inc. for maintenance of the Novius Radiology Information System (NRIS) and Sybase Software in the estimated amount of \$107,743 for the term January 1, 2011 through December 31, 2011.
- v. approve renewal on the basis of sole source for Thomson Reuters for MicroMedex Database License Software subscription in the estimated amount of \$137,417 for the term December 31, 2010 through December 30, 2011.

- w. approve the second of four renewal options for Siemens for inspection and maintenance repair of chillers in the estimated amount of \$142,935 for the term November 1, 2010 through October 31, 2011.
- x. ratify an award for Texas Health and Human Services Commission (HHSC) for outstationed eligibility advisors/Medicaid eligibility specialists in various Hospital District locations in the estimated amount of \$964,368.
- y. ratify an emergency purchase for Infinity Systems, Inc. for air conditioning units (8 ea.) for Lyndon B. Johnson General Hospital in the amount of \$64,315.
- z. ratify additional funds and an extension for Nurses Night & Day, Inc. for comprehensive home health care in the estimated additional amount of \$130,00 for the extended term of May 1, 2010 through November 30, 2010. (The Board previously approved funds in the amount of \$600,000 for the term May 1, 2009 through April 30, 2010).
- aa. ratify a purchase on the basis of lowest priced contract meeting requirements for Cardinal Health 200, LLC for disposable non-sterile protective apparel in the estimated amount of \$164,536 for the term October 1, 2010 through September 30, 2011.
- bb. ratify funding on the basis of product standardization for Cook Medical, Inc. (PP-OR-497) in the amount of \$163,941 for Boston Scientific Corporation (PP-OR-496) in the amount of \$362,190 for the multi-vendor amount of \$526,131 for the term September 1, 2010 through August 31, 2011.
- cc. ratify funding on the basis of product standardization for Smiths Medical, ASD, Inc. (PP-OR-562) in the amount of \$58,029 and Arizant Healthcare Inc. (PP-OR-560) in the amount of \$201,340 for the multi-vendor estimated amount of \$259,369 for the term August 1, 2010 through July 31, 2011.
- dd. approve additional funds and an extension for Abbott Laboratories, Inc. for blood glucose meters, reagents, training and service in the estimated additional amount of \$261,684 for the extended term of October 1, 2010 through December 31, 2010. (The Board previously approved funds in the amount of \$2,289,723 for the term April 14, 2007 through September 30, 2010).
- ee. ratify purchase as an exception to the Harris County Hospital District Purchasing Manual requirements for KCI, Inc. for negative pressure wound therapy products in the estimated amount of \$838,889 for the term January 1, 2010 through February 28, 2011.
- ff. approve the fifth and final renewal option for Pharmacy Healthcare Solutions, Ltd for Indigent Patient Drug Reimbursement Program (Product

Recovery Services) in the estimated amount of \$524,072 for the term December 1, 2010 through November 30, 2011.

gg. approve additional funds for Emporos Systems Corporation for Pharmacy Cashiering System in the estimated additional amount of \$27,867 for the term June 16, 2010 through June 15, 2011. (The Board previously approved funds in the amount of \$203,084 for the term June 16, 2010 through June 15, 2011).

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

- a. transmittal of corrected term for Brinks U.S., a Division of Brink's Incorporated for armored car service in the amount of \$71,516 for the correct term of April 1, 2010 through March 31, 2011. (The approved term: March 1, 2010 through February 28, 2011).
- b. transmittal of utilization for temporary general practice and specialty physicians for medical services in the Harris County Sheriff's Office detention facilities for Mint Medical Physician Staffing, L.P. and Staff Care, Inc. to allow the Hospital District to obtain the services of temporary Nurse Practitioners when required in the estimated amount for all vendors of \$75,000 for the term September 1, 2010 through February 8, 2011.
- c. transmittal of purchase on the basis of best contract for Nellcor Puritan Bennett, Inc. for tracheostomy tubes and related products in the estimated amount of \$63,721 for October 1, 2010 through September 30, 2011.

Mr. Wortham asked about the amount to spend on the following item:

- d. transmittal of award on the basis of low bid for Watlee Construction, Inc. of Texas for installation of electrical equipment, acoustic ceiling demolition and sprinkler modification in the amount of \$96,858.
- e. transmittal of purchase on the basis of low quote for NWN Corporation for Cisco equipment to support the new LBJ Emergency Center expansion in the amount of \$98,652.
- f. transmittal of award on the basis of only bid received for Bioness Inc. for functional electrical stimulation (FES) in the amount of \$65,050.
- g. transmittal of purchase on the basis of sole source from FujiFilm Medical Systems USA, Inc. for licenses and maintenance services for Cardiovascular System software in the estimated amount of \$93,591 for the term November 1, 2010 through October 31, 2011.
- h. transmittal of funding on the basis of product standardization for Atrium Medical Corporation (PP-OR-513) for chest drainage products in the amount of \$81,806 for the term November 1, 2010 through October 31, 2011.

- i. transmittal of funding on the basis of standardization for Kimberly Clark Corporation (PP-NS-569) for closed ventilation suction products in the estimated amount of \$54,706 for the term December 1, 2010 through November 30, 2011.
- j. transmittal of additional funds for J. T. Vaughn Construction Company, LLC for construction manager at risk for building construction, expansion and remodeling (Old Ben Taub General Hospital) in the estimated additional amount of \$16,269. (The Board previously approved funds in the amount of \$104,400).
- k. transmittal of the second of four one-year renewal options for Eagle Electronic Resources for disposal of salvage electronic equipment and related items in the estimated amount of \$10,000 for the term November 1, 2010 through October 31, 2011.
- l. transmittal of the first of four one-year renewal options for IDN Acme for locksmith supplies and related items in the estimated amount of \$16,025 for the term November 1, 2010 through October 31, 2011.

Motion 10.10-150

Moved by Mr. Wortham, seconded by Mr. Finder, that the Board approve items V.B – V.AA. All board members present voted unanimously with the exception of item V(B)P, Dr. Varadhachary voted nay.

Below are the items approved and any relevant discussion.

Mr. Finder inquired about what type of precautions are taken by the HCHD to protect employees. His question was relative to Item B. below. Ms. Cloyd responded to his concerns.

- B. Approve the Harris County Hospital District Criteria for Utilization of Patient Safety Assistants Policy #261 to establish the criteria for the effective utilization and assignment of Patient Safety Assistants to identified and qualified patients.
- C. Approve the Harris County Hospital District Insertion Management of Central Line Occlusion Policy #3013 to establish the criteria for restoring patency to an indwelling central venous catheter.
- D. Approve the Harris County Hospital District Insertion and Care of Non-Tunneled Central Catheters Policy #425 to guide the insertion and care of central venous catheters to reduce the risk of infectious and non-infectious complications in patients with central vascular access device.
- E. Approval entering into a professional services agreement with Hellmuth, Obata + Kassabaum, L.P. (HOK) to perform master planning services for all facilities District-wide for a maximum not-to-exceed fee of \$513,877.

- F. Approve Amendment No. 6 for additional services to the current scope of services for the existing Architectural/Engineering Agreement between the Harris County Hospital District and Hellmuth, Obata + Kassabaum, L.P. (HOK) for the Holly Hall Radiation Therapy Diagnostic Imaging & Specialty Clinic and Garage Project at a total cost of \$2,412.50. This Amendment is to revise the construction documents to include the use of Scheidt Bachmann parking access and revenue control system for the parking garage.
- G. Approve the 1st Amendment with CLR, Inc. to provide additional civil engineering and surveying services to include plan/profile drawings, agency approval, coordination & meetings, and construction phase services for the Lyndon B. Johnson General Hospital East Campus and West Land in the additional amount of \$27,000 for a total cost of \$169,010.
- H. Approve Amendment No. 2 for additional services and to expand current scope of services for the existing Architectural/Engineering Agreement between the Harris County Hospital District and HDR (Henningson, Durham & Richardson) Studio Red for the renovation of the old Ben Taub Tower project for a total additional cost of \$132,700.
- I. Approve entering into a new lease agreement with Pasadena Realty Partners, LLC, drafted and approved by the County Attorney's Office, for lease space located at 3925 Fairmont Parkway, Pasadena, Texas 77504 for use as a Medical Clinic. The lease is for ten annual renewal terms beginning December 1, 2010 to February 28, 2021. The initial term of the lease will commence on December 1, 2010 to February 29, 2012 at a monthly base rate of \$24,166.67 (290,000.00/yr.) plus a one-time security deposit of \$24,166.67. The remaining terms of the lease from March 1, 2012 to February 28, 2021 will include an annual escalation of 1.5% of the previous annual monthly base rent and will be renewed annually by the Board of Managers.
- J. Approve entering into lease option 3 of the Lease Agreement with Mount Houston CCG Partners LP for the District's East Mount Houston Eligibility Center for the period of February 1, 2011 to January 31, 2012 at a monthly rate of \$8,180 per month.
- K. Approve entering into the 6th term of the lease agreement between the Hospital District and the City of Houston for space located at the Riverside Health Center for the term February 1, 2011 through January 31, 2012 in the total amount of \$10,001.00/year, which includes rent (\$1.00) plus a Common Area Maintenance fee (\$10,000).
- L. Approve entering into lease option 2 of the lease agreement with Kynto Ventures, LLC for the leasing of 50 parking spaces at People's Health Center for the term January 1, 2011 to December 31, 2011 at a rate of \$40 per parking space (\$2,000/mo).

- M. Approve the Thirteenth Amendment to the Trust Agreement between Fidelity Management Trust Company and the Harris County Hospital District effective October 28, 2010.
- N. Approve the appointment of Mike Staley to the Harris County Hospital District 401K/457(b) Administrative Committee to replace Ping Law.
- O. Approve the Board Notification of the Harris County Hospital District Pension Plan Statement of Investment Objectives and Guidelines replacing the August 2001 document.

Ms. Stiner inquired if HCHD resolved the questions raised at the committee discussions relative to Item. P. Mr. Okezie responded positively. Mr. Masi added that the HCHD will handle issues related to this issue through training. Ms. Stiner then asked how we plan to handle informing the general public of this policy. Mr. Okezie responded that this policy only applies to HCHD staff.

- P. Approve the revised Harris County Hospital District Reporting Suspicious Activity Policy# 2235 effective immediately.
- Q. Approve acceptance of funding from the Health Resources and Services Administration in the amount of \$99,000 for the purchase of software that extends the electronic medical record (EMR) system to allow nurses to document patient telephone encounters through the nurse triage call system ("Ask Your Nurse") for the period of September 1, 2010 to August 31, 2011.
- R. Ratify a data-use agreement between the Harris County Hospital District and the City of Houston for the term of one year from the date of execution by both parties. The agreement will automatically renew each year unless terminated by either party. This agreement complies with the requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- S. Adopt the Harris County All Hazards Mitigation Plan.

(Pursuant to the Code of Federal Regulations Title 44 part 201.6, Harris County is required to review and revise its All Hazard Mitigation Plan, provide for public comment, and resubmit for State and Federal approval every five years in order to maintain eligibility for mitigation grant funding.)
- T. Ratify a contract between the Harris County Hospital District (HCHD) and the Mental Health Mental Retardation Authority (MHMRA) for the period September 1, 2010 to August 31, 2011 in an amount not to exceed \$250,000.
- U. Approve an Interlocal Agreement between the Harris County Hospital District and Harris County Public Health and Environmental Services.
- V. Approve the Demonstration Project to Maintain Independence & Employment Grant (DMIE) amendment which extends the DMIE Grant until December 31, 2010.

- W. Approve an agreement, addendum and appendix which renews the District's participation in the Primary Care Case Management Medicaid program through October 31, 2012.
- X. Approve a contract between the Harris County Hospital District and Texas Department of State Health Services for the FY10 Children with Special Health Care Needs Case Management Program.
- Y. Approve the Strategic Facilities Plan Implementation for the Harris County Hospital District (HCHD).
- Z. Approve the plan to begin the conversion of hospital beds to semi-private rooms.
- AA. Approve the Harris County Hospital District Implementation Plan for the Strategic Plan.

VI. Reports of the Committees

A. Joint Conference Committee

Dr. Peter Doyle presented the credentialing changes for members of the HCHD medical staff for October. A copy of the report is available in the permanent record. Ms. Truesdell inquired regarding Dr. Faye Tan (page 375), who is asking for additional privileges. Dr. Doyle suggested that the materials presented are incomplete.

1. Motion 10.10-151

Moved by Ms. Stiner, seconded by Mr. Finder, and unanimously passed, that the Board approve the October credentialing changes for members of the HCHD Medical Staff, with the exception of Dr. Faye Tan whose approval will be held for clarification of the forms presented.

Dr. Peter Doyle presented the Replacement of General Dentistry Clinical Privileges Forms.

2. Motion 10.10-152

Moved by Dr. Varadhachary, seconded by Ms. Stiner, and unanimously passed, that that Board approve the Replacement of General Dentistry Clinical Privileges Forms for the Harris County Hospital District.

Dr. Peter Doyle presented the Amendment to the Medical Staff Bylaws. Ms. Truesdell asked for a brief explanation of this item.

3. Motion 10.10-153

Moved by Dr. Varadhachary, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an Amendment to the Medical Staff Bylaws, Article XIII, Section 5: Allied Health Professional Sub-Committee of the Credentials Committee.

Dr. Peter Doyle presented the Medical Board Report. Discussion ensued. A copy of the report is available in the permanent record. Mr. Lopez added his thanks to the medical staff at the LBJ Hospital who facilitated a smooth transition to the electronic medical record in the past several weeks.

4. **Motion 10.10-154**

Moved by Mr. Wortham, seconded by Mr. Finder, and unanimously passed, that the Board accept the Medical Board Report as included in the packet.

B. Budget and Finance Committee

Mr. Norby presented the September 2010 Financial Report. A copy of this report was provided and discussed at the Budget and Finance Committee meeting and is attached to the permanent records of this meeting.

Mr. Norby highlighted revenue predictions, particularly pointing out the uncertainty of the red-light camera revenue. He noted that we are behind in revenue cycle income from budgeted predictions but are ahead of collections for last year. Relative to labor, HCHD is a little over budget but we anticipate this to drop as we end the year. Operating loss for the month was \$5.4 million. Operating income for the year was \$9.3. Mr. Norby projects a positive margin of approximately \$7 million at the end of this fiscal year.

1. **Motion 10.10-155**

Moved by Mr. Stiner, seconded by Mr. Finder, and unanimously passed, that the Board accept the September 2010 Financial Report subject to audit.

Mr. Norby presented the September 2010 Pension Plan Report. The plan was 81.8% funded as of the end of September. A copy of the report is available in the permanent record. Mr. Wortham asked Administration of the possibility of giving the retirees a thirteenth check again this year as we have done in the past.

2. **Motion 10.10-156**

Moved by Ms. Stiner, seconded by Mr. Finder, and unanimously passed, that the Board accept the Pension Plan Report for the period ended September 30, 2010 subject to audit.

Mr. Norby presented the Second Quarter FY 2011 Investment Report. A copy of the report is available in the permanent record. He noted that average total returns for the last quarter are 1.95%.

3. **Motion 10.10-157**

Moved by Dr. Varadhachary, seconded by Ms. Stiner, and unanimously passed, that the Board accept the Second Quarter Investment Report for the period ended August 31, 2010.

Mr. Norby presented the second amendment to the Harris County Hospital Indigent Care Affiliation Agreement relating to the Harris County Upper Payment Limit (UPL) Program. This amendment removes Spring Branch Hospital from the agreement due to the fact that they are no longer part of HCA. Dr. Varadhachary inquired whether they could be restored if they come back into business. Mr. Lopez stated that would have to be considered at the time this occurred.

4. **Motion 10.10-158**

Moved by Dr. Varadhachary, seconded by Ms. Stiner, and unanimously passed, that the Board approve the second amendment to the Harris County Indigent Care Affiliation Agreement to remove Spring Branch Medical Center, Inc. from the Harris County UPL Program.

Ms. Truesdell presented the Personal Services Exemption for the Liaison for Intergovernmental Affairs for the Hospital District. She thanked Mary Schneider for her services on behalf of the HCHD.

5. **Motion 10.10-159**

Moved by Mr. Wortham, seconded by Dr. Varadhachary, and unanimously passed, that the Board approve an exemption from the competitive bid requirements for an award to Mary Schneider to serve as a liaison for the Hospital District in the maximum amount of \$150,000 in fees and up to \$50,000 for expenses for the term November 3, 2010 through November 2, 2011.

6. Environmental Services Contract with the Sodexo Services of Texas Limited Partnership

Regarding this issue, Ms. Truesdell and other board members stated that they are puzzled by the manner in which the item has been presented to the Board. They thought that the Board would receive a presentation from Administration showing both sides of this issue. Mr. Lopez responded, stating that Administration has extensively studied this issue and recommends bringing environmental services in house after the term of the Sodexo contract ends at the end of December, 2010. Ms. Truesdell suggested this item could be deferred until the called Board meeting scheduled for next week. This is an important issue and has been discussed since 1995 and it merits full Board consideration. Mr. Finder spoke, presenting the historical background on this issue, noting this has been an ongoing problem. Dr. Varadhachary asked that Administration bring it forward presenting the full spectrum of issues. Mr. Wortham expressed his concern regarding the value HCHD receives for the monies spent. He referenced HCHD being in the 4th percentile of patient satisfaction relative to cleanliness. Mr. Masi put this statistical measure into perspective.

The Board deferred this issue until the called meeting next week and took no action.

7. Presentation of the September 2010 Financial Statements of Community Health Choice, Inc.

Mr. Ken Janda presented the September 2010 CHC Financial Report. He noted that CHC financial performance is improving. They still anticipate a loss at the end of the fiscal year, however. Discussion ensued. The Board inquired regarding using “member months” as a measurement tool. A copy of the report is available in the permanent record.

C. 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.

Mr. Lopez addressed legislative issues at the state level. He announced the outcome of rebasing and its impact on the HCHD.

2. Update, discussion and possible action regarding pending federal legislative, line items and policy issues affecting HCHD

Ms. Mary Schneider presented an update on federal legislative issues. She focused on the uncertainty that exists until after the national elections on November 2.

Ms. Stiner asked for an update on line items. Ms. Schneider stated that the House placed a moratorium on earmarks. We have two line items still under consideration in the Senate: one is for equipment at BTGH; the other is for remodeling at BTGH.

3. Harris County Hospital District Resolution in Support of Trauma Care Funding

Motion 10.10-160

Moved by Mr. Finder, seconded by Mr. Wortham, and unanimously passed, that the Board adopt a Resolution in support of Trauma Care Funding.

VII. Miscellaneous Agenda Items

Items A and B below are presented by CHC: to accept a resignation from their board and to make two new appointments to their board.

A. Motion 10.10-161

Moved by Mr. Finder, seconded by Dr. Varadhachary, and unanimously passed, that the Board accept the resignation of Danny Jackson from the Community Health Choice, Inc. Board of Directors.

B. Motion 10.10-162

Moved by Mr. Wortham, seconded by Dr. Varadhachary, and unanimously passed, that the Board accept the appointments of Larry Finder and Daisy Stiner as members of the Community Health Choice, Inc. Board of Directors.

Mr. Ryan Roux, Chief Pharmacy Officer, presented the next two agenda items.

C. Motion 10.10-163

Moved by Ms. Stiner, seconded by Mr. Finder, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and Alcon Laboratories, Inc. and its affiliate, Falcon Pharmaceuticals, Ltd. to continue participation in the Patient Assistance Program with no cost.

D. Motion 10.10-164

Moved by Mr. Finder, seconded by Dr. Varadhachary, and unanimously passed subject to review by the County Attorney, that the Board ratify an agreement between the Harris County Hospital District and Sanofi-Aventis U.S. Institutional Patient Assistance Program to participate in the IPAP with no cost.

Item E is presented for board approval as a term extension only. No additional funds are requested.

E. Motion 10.10-165

Moved by Mr. Wortham, seconded by Mr. Finder, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and Gjerset & Lorenz LLP for legal services regarding the District's Upper Payment Limit Program with St. Joseph Medical Center for the term November 19, 2010 to November 18, 2011.

VIII. President/Chief Executive Officer's Report to Include: Summary of Key Issues: Governance Institute Meeting

Ms. Truesdell stated that item VIII will be deferred until after the Executive Session in the interest of time.

Mr. Lopez gave a recap of the Governance Institute meetings. He noted four major points:

1) EMR is important; 2) The Medical Home is important; 3) Collaboration with the medical staff is paramount; and 4) If you have budget information on a board meeting agenda before the presentation of quality and safety issues, there is a problem and that the latter should be 25% of the time allotted for meetings. Ms. Stiner added that the point was made that the patients should always be the priority. Mr. Lopez also added that they recommend that the Board be presented a monthly scorecard with 3-4 financial measures, 3-4 quality measurements, and 3-4 patient safety items. He also added that the trend is that board membership is becoming more and more complicated. Mr. Finder suggested that this board may want to retreat occasionally to be certain it is ahead of the curve in staying abreast of management and governance issues. Ms. Stiner asked if we could get several of the certifications that other states use in certifying board members. Finally, Mr. Lopez noted that the Governance Institute stated that it is unlikely that healthcare reform will be repealed.

IX. Executive Session

At 10:29 a.m., Mr. Truesdell, Vice Chair, stated that the Board would go into Executive Session under Chapter 551, Texas Government Code, Section 071 and 074 and Texas Health & Safety Code, Section 161.032. She stated that the regular meeting of the Board would reconvene at the close of Executive Session.

X. Reconvene

At 10:45 a.m., Ms. Truesdell 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 Open Records Opinion OR2010-14576 and a lawsuit filed on behalf of the District; Cause No. D-1-GN-10-003654; *Harris County Hospital District, and Brian McLeod v. Honorable Greg Abbott, Attorney General of Texas* in the 353rd 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 10.10-166

Moved by Mr. Finder, seconded by Dr. Varadhachary, and unanimously passed, that the Board approve the following resolution:

The Harris County Hospital District, by and through its Board of Managers, approves and ratifies the filing of a lawsuit on behalf of the District; Cause No. D-1-GN-10-003654; *Harris County Hospital District, and Brian McLeod v. Honorable Greg Abbott, Attorney General of Texas* in the 353rd Judicial District Court of Travis County, Texas; regarding Open Records Opinion OR2010-14576.

- C. Consultation with the County Attorney regarding a Settlement of Cause No. D-1-GN-09-004287; *Epic Systems Corp. v. Gregg Abbott, Attorney General of Texas, et al*; In the 98th 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 10.10-167

Moved by Mr. Finder, seconded by Dr. Varadhachary, and unanimously passed, that the Board approve the following resolution:

The Harris County Hospital District, by and through its Board of Managers, approves the settlement of Cause No. D-1-GN-09-004287; *Epic Systems Corp. v. Gregg Abbott,*

Attorney General of Texas, et al; In the 98th Judicial District Court of Travis County, Texas, and authorizes the President/CEO on behalf of the District to execute any necessary documents to effect this settlement.

D. Consultation with the County Attorney regarding the Employment of Healthcare Providers 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 Ms. Stiner, seconded by Dr. Varadhachary, and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at 10:57 a.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 October 28, 2010.

Carolyn Truesdell, Acting Chair
Board of Managers

Mr. E. Dale Wortham, Secretary

Recorded by Ottley Sims