



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

Thursday, April 29, 2010

Board Room – Administration Building

BOARD MEMBERS PRESENT

Mr. Stephen DonCarlos, Chair
Ms. Carolyn Truesdell, Vice Chair (9:18 a.m.)
Mr. E. Dale Wortham, Secretary (9:32 a.m.)
Dr. George Santos
Dr. Atul Varadhachary
Mr. Elvin Franklin, Jr.
Ms. Mary Spinks

BOARD MEMBERS ABSENT

Ms. Daisy Stiner
Mr. Danny Jackson, Asst. Secretary

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
Ms. Elizabeth Neal, Commissioner Jerry Eversole's Office
Lester Byrd, Commissioner El Franco Lee's Office (10:20 a.m.)
Ms. Gloria Moreno, Commissioner Sylvia Garcia's Office (10:42 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 9:14 a.m. and noted that a quorum was present. The attendance was recorded.

II. Approval of Minutes of Previous Meetings

Motion 10.4-58

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board approve the minutes of the March 25, 2010 Board of Managers meeting.

III. Special Recognition

The Board recognized Dr. Cleveland Black and students of the Harris County Hospital District's School of Diagnostic Medical Imaging. Mr. DonCarlos stated that Dr. Black recently received the 2010 Sharon Coffey Outstanding Imaging Educator of the Year by the Texas Society of Radiologic Technologists. This award honors the state's most influential imaging educator and professional. Dr. Black introduced the students to the Board.

IV. Hear from Citizens

Ms. Fadine Roquemore addressed the Board regarding the MLK Health Center. She expressed gratitude to the Board for the work done on the new site. She stated that an open house would be held on May 14 and she hoped the Board would be present.

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

Motion 10.4-59

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board approve items V.A – V.H. (Item A1b was pulled from the agenda prior to the meeting).

A. Items related to Purchasing

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

- a. award on the basis of highest overall evaluation and authorize negotiations for Smith Seckman Reid, Inc. for professional engineering services for life safety and fire protection (if the Hospital District and Smith Seckman Reid, Inc. are unable to agree on a fair and reasonable price then the Hospital District, at its sole discretion, may discontinue negotiations and proceed to negotiate with the next ranking offer).
- b. WITHDRAWN.
- c. award on the basis of best bid meeting specifications for Diamedix Corporation, a Subsidiary of IVAX Diagnostics, inc. for a fully automated microplate analyzer, reagents, consumables, and service in the estimated amount of \$173,018.
- d. approve purchase for The Advisory Board Company for Advisory Board Memberships in the amount of \$104,450 (Marketing & Planning Leadership Council – 6/30/10-06/29/11 - \$22,800; Nursing Executive Center – 06/26/10-06/25/11 - \$23,900; and Health Care Advisory Board – 10/31/10-10/30/11 - \$57,750).
- e. award on the basis of only quote for DIR through Mark III Systems Incorporated (DIR-SDD-952) for IBM hardware in the amount of \$297,002.

- f. award on the basis of product standardization for DIR through Dell Marketing L.P. (DIR-SDD-890) for computers, monitors and printers in the estimated amount of \$1,403,065.
- g. approve additional funds and an extension for IBM Corporation for IBM Operating Systems Software License and maintenance in the estimated additional amount of \$123,713 for the extended term May 2, 2010 through December 14, 2010 (Board previously approved funds in the amount of \$61,856 for the term December 15, 2009 through May 1, 2010).
- h. approve additional funds and an extension for KCI, Inc. (PP-NS-438) for negative pressure wound therapy in the additional amount of \$780,536 for the term June 1, 2010 through February 28, 2011 (Board previously approved funds in the amount of \$1,040,714 for the term June 1, 2009 through May 31, 2010).
- i. approve additional funds and an extension for Diamedix Corporation for a fully automated microplate analyzer and reagents in the additional amount of \$80,684 for the extended term June 1, 2010 through November 30, 2010 (Board previously approved funds in the amount of \$40,317 for the term June 1, 2009 through May 31, 2010 and \$121,051 for the term June 1, 2009 through May 31, 2010).
- j. approve funding for the third year of a 5-year agreement for Xerox Corporation (PP-IT-048 fka PP-LA-205) for operation of Copy Center (printers, copiers, facsimiles, facilities management) in the estimated amount of \$341,775 for the term July 1, 2010 through June 30, 2011.
- k. approve funding for the fourth year of a 5-year agreement for Abbott Laboratories, Inc. (PP-LA-205) for hematology analyzers, reagents, consumables and services in the estimated amount of \$319,152 for the term June 1, 2010 through May 31, 2011.
- l. award on the basis of lowest priced contract for Compression Therapy Concepts for an external pneumatic compression system for prevention of deep vein thrombosis (DVT) in the estimated amount of \$299,885 for the term June 1, 2010 through May 31, 2011.
- m. award on the basis of low quote for DIR through Business Security Solutions, Inc. for Websense software maintenance and support in the amount of \$105,604 for the term June 29, 2010 through June 28, 2011.
- n. award on the basis of lowest priced contract for Koch Filter Corporation for air filtration products in the estimated amount of \$122,172 for the term May 1, 2010 through April 30, 2011.
- o. award on the basis of product standardization for Cardinal Health 200, Inc. (PP-NS-474) for IV site management products in the estimated amount of \$169,538 for the term May 1, 2010 through April 30, 2011.

- p. award on the basis of product standardization for Becton Dickinson and Company (PP-NS-535) for blunt cannula access devices in the estimated amount of \$325,490 for the term May 1, 2010 through April 30, 2011.
- q. approve funding for Cardinal Health, Inc. (PP-OR-481) to supply custom sterile surgical procedure packs in the estimated amount of \$706,274 for the term February 1, 2010 through January 31, 2011.
- r. award on the basis of product standardization for Olympus America Inc. – Medical Systems Group (PP-OR-505) to provide video endoscopy equipment required for the expansion of Lyndon B. Johnson General Hospital Gastroenterology Lab in the amount of \$199,530.
- s. award on the basis of sole source for St. Jude Medical to provide vascular closure devices in the estimated amount of \$231,924.
- t. approve the first of four renewal options for Hologic, Inc. to provide repair and maintenance of imaging equipment at Ben Taub and Lyndon B. Johnson General Hospitals and El Franco Lee Health Center in the estimated amount of \$316,714 for the term June 1, 2010 through May 31, 2011.
- u. approve the second of four renewal options for Iron Mountain Record Management to provide storage, maintenance and retrieval services of medical records and x-ray film in the estimated amount of \$1,400,000 for the term May 1, 2010 through April 30, 2011.
- v. approve the fourth and final renewal option for Lepow Podiatric Medical Associates, LLP for outsourcing of podiatry services in the estimated amount of \$588,092 for the term May 1, 2010 through April 30, 2011.
- w. approve renewal as an exception to the Harris County Hospital District Purchasing Manual bid requirements for Gulf Coast Regional Blood Center for blood products and components in the estimated amount of \$7,513,506 for the term June 1, 2010 through May 31, 2011.
- x. approve purchase as an exception to the Harris County Hospital District Purchasing Manual requirements for C.R. Bard Inc. (PP-NS-584) for general urological products in the amount of \$90,175 for the term March 1, 2010 through June 30, 2010.
- y. approve the second of four renewal options for Dictaphone, a division of Nuance to provide licensing access, support and maintenance for the Powerscribe Speech Recognition System for the Radiology Department in the estimated amount of \$127,248 for the term May 19, 2010 through May 18, 2011.
- z. approve the first of four renewal options for Texas Access Controls for maintenance services for automatic doors in the estimated amount of \$200,000 for the term May 1, 2010 through April 30, 2011.

- aa. approve utilization of A-1 Delivery Services for courier services to transport lab specimens and blood products between the Community Health Centers, School Based Clinics, Ben Taub and LBJ General Hospitals and Quentin Mease Community Hospital in the estimated amount of \$10,000 for the term May 1, 2010 through February 28, 2011.
- bb. ratify an exemption from the competitive bid requirements and the second and final renewal option for Baylor College of Medicine to provide medical and related services for a teen clinic located within the geographical boundaries of Harris County Precinct 1 in the estimated amount of \$150,000 for the term April 5, 2010 through April 4, 2011.
- cc. ratify an exemption from the competitive bid requirements and the second and final renewal option for Baylor College of Medicine to provide medical and related services for a teen clinic located within the geographical boundaries of Harris County Precinct 2 in the estimated amount of \$150,000 for the term April 14, 2010 through April 13, 2011.
- dd. ratify the first of two renewal options for Schering Corporation (\$12,240) and Merck/Schering-Plough (\$407,346) for outpatient pharmaceutical products in the estimated multi-vendor amount of \$419,586 for the term March 1, 2010 through February 28, 2011.
- ee. ratify renewal for DIR through International Business Machines Corporation (IBM) (DIR-SDD-633) for IBM non-operating system software license and maintenance in the amount of \$199,012 for the term March 1, 2010 through February 28, 2011.
- ff. ratify purchase on the basis of best contracts for DeRoyal Industries (\$1,485) and DJ Orthopedics (\$79,866) for orthopedic soft goods that include arm slings, abdominal elastic binders, podiatry shoes and cervical collars in the estimated multi-vendor amount of \$81,351 for the term March 1, 2010 through November 30, 2011.
- gg. ratify funding on the basis of product standardization for Molnlycke Health Care (PP-NS-493) for advanced wound care products in the estimated amount of \$218,283 for the term April 1, 2010 through March 31, 2011.
- hh. ratify funding on the basis of product standardization for Smith & Nephew Inc. Wound Management Division (PP-NS-494) for advanced wound care products in the estimated amount of \$151,502 for the term April 1, 2010 through March 31, 2011.
- ii. ratify purchase on the basis of best contract for Cardinal Health (\$120,259) and Covidien (fka Tyco Healthcare Group) (\$136,401) for suction canisters, yankauers, and tubing in the estimated multi-vendor amount of \$256,660 for the term March 1, 2010 through February 28, 2011.

- jj. approve exemption from the competitive bid requirements for Navigant Consulting, Inc. for assessment of revenue cycle processes in the amount of \$300,000 for an eight-week term upon execution of Agreement.

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

- a. transmittal of purchase for DIR through Gartner Research (DIR-SDD-1273) for IT and business strategy research resource in the amount of \$65,168 for the term April 1, 2010 through March 31, 2011.
- b. transmittal of purchase on the basis of sole source for Johnson & Johnson Health Care Systems, Inc. for consumables for Evo-Tech washers/auto endoscopic reprocessor in the estimated amount of \$75,578 for the term May 1, 2010 through April 30, 2011.
- c. transmittal of purchase on the basis of sole source for Johnson Controls, Inc., Systems and Services America (PP-FA-177) for the replacement of four generator circuit breakers/variable frequency drives/total building environment in the amount of \$98,782.
- d. transmittal of funding for Metropolitan Transit Authority of Harris County, Texas for the RideSponsor Q-Card Sales Program in the estimated amount of \$75,840 for the term April 3, 2010 through April 2, 2011.
- e. transmittal of purchase on the basis of best contract for Nellcor Puritan Bennett, a Tyco Healthcare Company (\$27,316) and Smiths Medical, ASD, Inc. (\$69,952) for endotracheal tubes and related products in the estimated amount of \$97,268 for the term January 1, 2010 through December 31, 2010.
- f. transmittal of purchase on the basis of best contract for Bard Medical Division for wound drainage products in the estimated amount of \$49,636 for the term March 1, 2010 through February 28, 2011.
- g. transmittal of additional funds for KGriff Investigations, Inc. for pre and post-employment background screenings in the estimated additional amount of \$64,500 for the term August 15, 2009 through August 14, 2010 (Board previously approved funds in the amount of \$110,000 for the term August 15, 2009 through August 14, 2010).
- h. transmittal of funding on the basis of product standardization for 3M Company (PP-NS-487) for advanced wound care products in the estimated amount of \$50,470 for the term April 1, 2010 through March 31, 2011.
- i. transmittal of funding on the basis of product standardization for 3M Company (PP-NS-469) for transparent dressings in the estimated amount of \$53,998 for the term April 1, 2010 through March 31, 2011.
- j. transmittal of additional funds for Abbott Laboratories, Inc. (PP-LA-205) for hematology analyzers, reagents, consumables and services in the additional amount of \$75,661 for the term June 1, 2009 through May 31,

2010 (Board previously approved funds in the amount of \$243,491 for the term June 1, 2009 through May 31, 2010).

- k. transmittal of the second and final renewal option for SHC Services, Inc. for temporary infection control nursing personnel in the estimated amount of \$50,000 for the term June 1, 2010 through May 31, 2011.
- l. transmittal of the second of four renewal options for Hollister Incorporated for patient bowel management systems in the estimated amount of \$93,000 for the term May 1, 2010 through April 30, 2011.
- m. transmittal of the second of four renewal options for Tejas Office Products Inc. for computer paper in the estimated amount of \$1,500 for the term June 1, 2010 through May 31, 2011.
- n. transmittal of the first of four renewal options for Waste Management – Recycle America for sale of recyclable paper products in the estimated revenue amount of \$14,950 for the term July 1, 2010 through June 30, 2011.
- B. Approval of an Amended Agreement between the Harris County Hospital District and Harmony House to provide on-site health care services to homeless individuals increasing the original amount by \$25,000 (total amount awarded is \$50,000) for the term April 1, 2010 through March 31, 2011.
- C. Approval of a Facilities Use Agreement between the Harris County Hospital District and The Houston Food Bank to provide assistance in completion of applications for the Texas Department of Health Food Stamp Program to eligible HIV-infected individuals at no cost to the Hospital District for the term May 1, 2010 through April 30, 2011.
- D. Approval of a Facilities Use Agreement between the Harris County Hospital District and Legacy Community Health Service to provide group-level intervention to eligible HIV-infected individuals at no cost to the Hospital District for the term May 1, 2010 through April 30, 2011.
- E. Approval of a Facilities Use Agreement between the Harris County Hospital District and Change Happens to provide small group-level intervention to eligible HIV-infected individuals at no cost to the Hospital District for the term May 1, 2010 through April 30, 2011.
- F. Approval for the Harris County Hospital District to grant, sell, and convey a limited blanket easement for a portion of District-owned property (7.500 Acres tract of land situated in the Pleasant W. Rose Survey, Abstract No. 645, Harris County, Texas) to CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Texas Gas Operations, at a cost of \$1.00 for permanent electrical power for the new imaging & specialty clinic and garage located on the Holly Hall Campus and to forward to Commissioner's Court the granting order form for signature.

- G. Approval of the 2010 HCHD Charity Care Program Schedule of Benefits and Service Exclusions.
- H. Approval of the New Harris County Hospital District Contract Initiation, Review, Approval, and Monitoring Policy #3.46.

VI. Reports of the Committees

A. Joint Conference Committee

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

1. Motion 10.4-60

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Board approve the April credentialing changes for members of the HCHD Medical Staff.

Dr. Peter Doyle presented the Medical Executive Board Report. He stated that the Sexual Assault Flowcharts and Order Sheet would be referred to Joint Conference Committee. The Bylaws Committee is looking at getting an outside source to use as a template for most portions of the Medical Staff Bylaws. Dr. Santos asked that the members of the Board be included in the review stage of the Medical Staff Bylaws. The status of the equipment in the interventional radiology suite at LBJ was questioned. Mr. Staley stated that the Image Intensifier went out, but has been repaired and is on the program for replacement in the next fiscal year. Ms. Truesdell referred back to the Bylaws, asking if there was anything that had to be addressed quickly due to Joint Commission. Dr. Sutton stated yes, and that these changes would come to Joint Conference first. A copy of the report is available in the permanent record.

2. Motion 10.4-61

Moved by Dr. Varadhachary, seconded by Mr. Franklin, and unanimously passed, that the Board accept the Medical Executive Board Report as included in the packet.

Agenda Item VI.A.3. was pulled from the agenda.

- 3. Consideration of Approval of Policy 425: Insertion and Care of Non-Tunneled Central Venous Catheters.

B. Budget and Finance Committee

Mr. Gaenzel was recognized by the Board and thanked for all of his work.

Mr. Norby presented the March 2010 Financial Report. He stated that they are trying to format the report to show a rolling 12-month average. Ms. Truesdell noted that outpatient visits were up 24,000 from last year. She asked if they kept track of total new patients and their different payor mixes. Mr. Norby stated that he has this information. They have seen a very consistent pattern over the past year with the outpatient payor mix. He stated that 75%-80% have been in the self-pay/charity category. Additional detail is available if the Board is interested in looking month to

month. It was stated that it is important to know what percentage of the increasing outpatient volume would be pure charity since it is very hard to predict right now. Mr. Lopez stated that there are improvements trying to be made. The District is hoping to obtain some of the Obstetrics volume from Spring Branch Hospital. Discussion ensued. Ms. Truesdell addressed the new sheets in the Financial Report, asking where school based clinics show up. Mr. Norby stated that they are included in the CHP statistics. Ms. Truesdell stated that salaries/wages are over budget. The District does not have much control over revenues, but does have control over expenses. The District must be very careful with expenses at a time with a break even budget. Discussion ensued. It was asked that non-AMS physicians be split out under the line item, physician services. A copy of the report is available in the permanent record.

1. Motion 10.4-62

Moved by Ms. Spinks, seconded by Dr. Santos, and unanimously passed, that the Board accept the March 2010 Financial Report subject to audit.

Mr. Gaenzel presented the March 2010 Pension Plan Report. The plan was 84.8% funded as of the end of March. A copy of the report is available in the permanent record.

2. Motion 10.4-63

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board accept the March 2010 Pension Plan Report subject to audit.

3. Presentation of the March 2010 Financial Statements of Community Health Choice, Inc.

Mr. Ken Janda presented the March 2010 CHC Financial Report. The net loss/income was approximately \$2.9 million (\$7 million to date). He noted that this is clearly unacceptable and worrisome. He stated that member months are on target for the month. They continue to have a high percentage of members, but fewer children, newborns, and pregnant women. This accounts for revenue being down even though membership is right on target. Medical expenses are above budget and they will drill down on this issue. There has been a higher volume, but the cost per admission has been higher than normal. Discussion ensued. Dr. Varadhachary stated that it might be helpful to break out member months into categories. Mr. Janda stated that the CHC Board has asked for this as well and a break out of each of the risk groups will be available next month. A copy of the report is available in the permanent record.

C. Legislative Committee

Mr. Hillier presented the Legislative Committee Report. He stated that President Obama made a statement today that immigration reform is off the table for this year. The state has issued some projections on how many people will be insured and left uninsured when healthcare reform is complete. The current projections leave a little over two million uninsured. There is ongoing concern due to the public belief being

that the only uninsured will be undocumented citizens. Approximately 800,000 will be immigrants, and an additional 800,000 will be eligible and not seek coverage. There will be a little over 200,000 children eligible but not enrolled. Mr. Hillier stated that the Public Health Committee met in Houston last week and some members took a tour of Ben Taub after the meeting. He thanked Mr. Webster and Dr. Mattox for doing an outstanding job. Ms. Schneider addressed appropriations. It is unclear if a budget resolution might be passed by the end of the year. She stated that the District's requests are in and the Senate is moving forward with them. Discussion ensued regarding possible immigration legislation.

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

VII. Miscellaneous Agenda Items

Mr. Reeves presented the Agreement between the Harris County Hospital District and e4 Services, LLC, Personal Services for assistance with implementation of the Health Information Management Department and Management Services. This is in preparation for improving revenue cycle and healthcare reform. Discussion ensued regarding the attachment in the packet.

A. Motion 10.4-64

Moved by Mr. Wortham, seconded by Ms. Spinks, and unanimously passed, that the Board table the Agreement between the Harris County Hospital District and e4 Services, LLC, Personal Services for assistance with implementation of the Health Information Management Department and Management Services in the not-to-exceed amount of \$150,000 (including expenses) for the term May 1, 2010 through August 31, 2010 until further information is received.

B. Motion 10.4-65

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Board approve a Service Agreement between the Harris County Hospital District and the Education with Industry (EWI) Program with the United States Air Force at no cost to the District for the term September 7, 2010 through June 24, 2011.

C. Staffing Advisory Committee's Semi-Annual Evaluation of the Nurse Staffing Plan and Aggregate Staffing Variance

Ms. Cloyd introduced Ms. Maria Bustamante and Mr. Douglas Wakhu, Co-Chairs of the Staffing Advisory Committee. Mr. Wakhu presented the BTGH and LBJGH reports. He stated that they have seen a 95% approval of the staffing effectiveness plan. Ms. Truesdell stated that people who respond to this are members of the Advisory Committee, but it is a rather low number. Mr. Wakhu stated that the respondents make up 67% of the committee. Ms. Bustamante stated that there is a quorum for each meeting and more than 60% of direct care providers are involved in

the meeting. Ms. Truesdell asked if they felt the new initiatives were working. Mr. Wakhu stated that he has seen much growth and improvement. Ms. Bustamante stated that the Board is welcome to attend any of their meetings. The meetings are held the second Thursday of the month at 7:30 a.m. Copies of the reports are available in the permanent record.

D. Discussion of Creation of Master List for Calendar of Items Subject to Periodic Review by the Board of Managers

Ms. Truesdell addressed the creation of a master list for a calendar of items subject to periodic review by the Board of Managers. There are more and more instances of committee meetings, policies that need approval, and specific annual reports. She has asked that an annual calendar be developed, but the Board Office has not had the response hoped from some areas. She asked that all departments get their responses in to the Board Office. Mr. DonCarlos asked that this item be on the May 27 Board agenda.

E. Discussion regarding the Cost Summary Report for the Radiation Therapy Project at 2525 Holly Hall

Mr. DonCarlos stated that the capital budget for the new Holly Hall site was included in the packet, but he had asked for the operations budget. Mr. Masi noted that the handout includes the entire complex at Holly Hall and not just radiation therapy. The other components requested will be presented at the Strategic Planning Committee meeting.

VIII. President/Chief Executive Officer's Report to Include: 1) FQHC 2-Year Pilot; 2) FY '11 Budget Initiatives; and 3) Patient Satisfaction Status Report

FQHC 2-Year Pilot

Mr. Lopez addressed the FQHC 2-year pilot program. This program will be funded by CHC and specific authorization will be needed. Discussion ensued. Dr. Varadhachary stated that this is a way to expand access and there has been much discussion on this issue. He stated that there is value in eliminating duplication of services such as financial services and human resources. The value created also needs to be shared in such a way that the District is not just subsidizing agencies. Mr. Janda stated that the CHC Board has also made the point of how to eliminate duplication from an efficiency standpoint. Mr. DonCarlos stated that Commissioner's Court has a great interest in supporting the FQHCs. The FQHCs are greatly underfunded and there is not a way for the District to help them where it will not cost money. He stated that he would hope that Commissioner's Court understands that they are asking us to take on additional responsibility in an area where there will not be compensation. The District will do their best to be supportive of these entities. Ms. Truesdell stated that she was appreciative of the work being done by the FQHCs. This is a strategic planning issue the Board had no say in and it impacts our ability to do strategic planning. Dr. Santos asked Administration to provide a detailed report on all FQHCs. Dr. Varadhachary stated that someone needs to look at the broad business model. There should be ways to create value without any additional cost. Discussion ensued.

FY '11 Budget Initiatives

Mr. Lopez presented the FY11 budget initiatives. He stated that this has been talked about briefly and covered in the financial report. He addressed finishing the year with a positive bottom line, stating that the District needs to grow the unduplicated patient count to 328,000 and study administrative overhead very carefully. There needs to be a focus on all expenses as any money saved on the expense side goes directly to the District's bottom line. The District is still committed to quality initiatives and to improving its image. They will move forward with the medical home project and start learning how to do things differently to become an ACO. Waiting times for certain procedures must be addressed as there are areas that continue to be problematic. Staff in the finance division is being challenged to push hard and go all out to increase collections. The District is very much interested in becoming a provider of choice. Every FTE that leaves the institution will be reviewed and not replaced unless approved by a committee. Mr. Wortham asked that Administration be mindful in not replacing FTEs and not allow staffing to get too thin for operations. Mr. Lopez agreed, stating that staff in past years has been very responsive to addressing what needs to get done.

Patient Satisfaction Status Report

Mr. Lopez presented the Patient Satisfaction Status Report. He stated that patient satisfaction rates are now being tied into annual evaluations.

Ms. Oddo presented a report showing the progress made in improving the culture of the Harris County Hospital District. She presented a graph showing the overall scoring for the nine different service lines. There has been an upward positive trend since the first quarter of 2008. The only question this graph represents is how the patient would rate the overall care received, and 82.7% of respondents felt care was good, very good, or excellent. The same graph by pavilion was presented. She presented the overall rating of care for adult inpatient and adult EC. She presented the improvement initiatives:

- Individual PI plans for each inpatient unit with monthly progress meetings
- Patient Satisfaction Specialist at Ben Taub and LBJ General Hospitals
- Weekly rounding on patient care areas with Chief Operating Officer
- Quarterly Patient Satisfaction Scorecard Review Meetings by pavilion
- Implementation of TV/Headphone project at hospitals

Improvement Initiatives for FY2011 include:

- Embedded patient satisfaction criteria in annual performance appraisal process
- Add Patient Satisfaction Project Specialist for ACS
- Continue COO rounding and quarterly scorecard reviews
- Implement District wide campaign to improve survey returns
- Transition to new patient satisfaction survey vendor which allows for robust benchmarking

She presented the success stories of the BTGH Emergency Center and Strawberry Health Center. A copy of the report is available in the permanent record.

IX. Executive Session

At 11:27 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.

Ms. Spinks left prior to reconvening from Executive Session.

X. Reconvene

At 12:29 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 Cause No. 929262; *Harris County Hospital District v. Houston VU & LE Properties, Inc.* Boone Road Project Tract 1, In the County Civil Court at Law No. 1; of Harris County, Texas pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session.

Motion 10.4-66

Moved by Dr. Santos, seconded by Mr. Wortham, and unanimously passed, that the Board approve the settlement of the eminent domain suit (*Harris County Hospital District v. Houston VU & LE Properties, Inc.* Boone Road Project Tract 1). The settlement will result in the acquisition of the Property for the total consideration of \$550,000, subject to certain terms and conditions.

- C. 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.

Motion 10.4-67

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

The Harris County Hospital District, by and through its Board of Managers, approves a settlement in the amount of \$28,120.80, payable to American Medical Equipment Co. for lost/missing home medical equipment arising from a contract between HCHD and American Medical Equipment Co., for the term February 1, 2009 through January 31, 2010, 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 a Claim filed by Jacqueline Smith, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action Regarding this Matter Upon Return to Open Session.

Motion 10.4-68

Moved by Ms. Truesdell, seconded by Mr. Wortham, 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 related to an automobile claim filed by Jacqueline Smith, by payment of the total sum of \$1,419.92 and authorizes the President/CEO on behalf of the District to execute any agreement, release or other necessary documents to effect this settlement.

- F. Discussion of the President/CEO's Evaluation pursuant to Tex. Gov't Code Ann. §551.074 and Possible Action regarding this Matter upon Return to Open Session.

Motion 10.4-69

Moved by Mr. Wortham, seconded by Ms. Truesdell, and unanimously passed, that the Board adopt the new President/CEO evaluation in its entirety.

XI. Adjournment

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

There being no further business, the meeting adjourned at 12:30 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 29, 2010.

Mr. Stephen DonCarlos, Chair
Board of Managers

Mr. E. Dale Wortham, Secretary

Recorded by Christie Reno