



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

Thursday, June 24, 2010

Board Room – Administration Building

BOARD MEMBERS PRESENT

Mr. Stephen DonCarlos, Chair
Ms. Carolyn Truesdell, Vice Chair
Mr. E. Dale Wortham, Secretary
Dr. George Santos
Dr. Atul Varadhachary
Mr. Elvin Franklin, Jr.
Ms. Mary Spinks
Mr. Lawrence Finder

BOARD MEMBERS ABSENT

Ms. Daisy Stiner

OTHERS PRESENT

Mr. Danny Jackson, Former HCHD Board Member
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 (9:14 a.m.)
Mr. Mark Fury, Commissioner Steve Radack's Office (9:21 a.m.)
Lester Byrd, Commissioner El Franco Lee's Office
Ms. Nikki Caffey, Commissioner Sylvia Garcia's Office
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 9:12 a.m. and noted that a quorum was present. The attendance was recorded.

II. Approval of Minutes of Previous Meetings

Motion 10.6-86

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board approve the minutes of the May 27, 2010 Board of Managers meeting.

III. Special Recognition

Mr. Danny Jackson was recognized for his years of service as a Board Member.

The American Physical Therapy Association recently recognized three Hospital District physical therapy staff for their outstanding contributions to their profession. The Board recognized Dr. Brian Duncan, Dr. Robert Sandoval, and Mr. Tony Waguespack.

IV. Hear from Citizens

Mr. Tony Legandre addressed the Board to request postponement of an award (agenda item A1t).

V. Consideration of Award for Arnold & Langrand Communications for a New Branding and Marketing Campaign

Mr. Lopez addressed the consideration of award for Arnold & Langrand Communications for a new branding and marketing campaign. He stated that there was unanimous recommendation by the evaluation committee to recommend this vendor. Ms. Paula Arnold introduced the firm to the Board. Ms. Shannon Langrand addressed the proposal for the Harris County Hospital District. Discussion ensued. Ms. Arnold stated that incredible amounts of money have been put into advertising for all hospitals. Targeting and research are going to be critically important in this campaign. Ms. Langrand stated that they have a proven track record for working with public organizations. Dr. Santos stated that the Hospital District is going to have to compete in the market and not just be a safety net for the uninsured. He stated that the Board needs to be provided with a timeline so they know the status of this project. Mr. Lopez stated that a timeline will be developed for the healthcare reform agenda and marketing campaign. He noted that the main contact for this project will be Ms. Amanda Callaway. A copy of the report is available in the permanent record.

Motion 10.6-87

Moved by Mr. Wortham, seconded by Dr. Santos, and unanimously passed, that the Board approve the award for Arnold & Langrand Communications for a new branding and marketing campaign in the total amount of \$338,225 for the term eight months upon execution of agreement with two one-year renewal options.

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

Agenda item A1t was addressed. It was stated that this item was thoroughly evaluated and discussed. Dr. Sutton stated that the medical staff is completely comfortable with the recommendation that was submitted to the Board.

Motion 10.6-88

Moved by Mr. Wortham, seconded by Ms. Truesdell, and unanimously passed, that the Board approve items VI.A1a to VI.A1kk (with the exception of item A1p and A1jj; both were pulled from the consent agenda prior to the meeting).

A. Items related to Purchasing

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

- a. approve utilization for Chastang Ford (primary vendor) and Tommie Vaughn Motors Inc. (secondary vendor) for repair parts, labor and related items for Ford automobiles and light trucks in the estimated amount of \$115,000 for the term July 1, 2010 through June 30, 2011.
- b. approve the guaranteed maximum price for J.T. Vaughn Construction Company, LLC to provide construction and renovation of the Old Ben Taub General Hospital in the amount of \$6,449,451 (\$6,324,451 – construction price; \$125,000 – owner contingency).
- c. award on the basis of low bid for Gowan, Inc. for plumbing systems and equipment maintenance services in the amount of \$447,550 for the term July 1, 2010 through June 30, 2011 with four one-year renewal options.
- d. award on the basis of only bid received for Genzyme Biosurgery for resorbable barrier adhesion film in the amount of \$119,780 for the term July 1, 2010 through June 30, 2011 with four one-year renewal options.
- e. approve additional funds and an extension for Abbott Laboratories, Inc. for blood glucose meters, reagents, training and service in the estimated additional amount of \$174,456 for the extended term August 1, 2010 through September 30, 2010 (Board previously approved funds in the amount of \$2,115,267 for the term April 14, 2007 through July 31, 2010).
- f. approve additional funds and an extension for Siemens Healthcare Diagnostics Inc. (PP-LA-199) for chemistry analyzers/integrated platform (chemistry and immunochemistry analyzers, automation, reagents, consumables and services) in the estimated additional amount of \$785,611 for the extended term July 1, 2010 through December 31, 2010 (Board previously approved funds in the amount of \$47,780 for the term June 1, 2008 through June 30, 2010 and \$3,200,552 for the term June 1, 2008 through June 30, 2010).
- g. approve additional funds and an extension for Centennial Contractors Enterprises, Inc. (primary vendor) and Kellogg Brown & Root Services, Inc. (secondary vendor) for job order contracting services for construction and/or construction related projects in the estimated additional amount of \$500,000 for the extended term July 1, 2010 through September 30, 2010 (Board previously approved funds in the amount of \$500,000 for the

extended term April 1, 2010 through June 30, 2010 and \$5,000,000 for the term April 1, 2009 through March 31, 2010).

- h. approve funding for the third year of a five-year agreement for Abbott Laboratories, Inc. (PP-LA-236 fka PP-LA-162) for I-STAT point of care blood gas analyzers and reagents in the estimated amount of \$900,000 for the term August 1, 2010 through July 31, 2011).
- i. approve the second of four renewal options for CareFusion Solutions, Inc. formerly Cardinal Health 301, Inc. (PP-CE-383) for lease and maintenance of supply distribution cabinets in the estimated amount of \$528,288 for the term July 1, 2010 through June 30, 2011.
- j. approve the second of four renewal options for MedQuist Transcriptions Ltd. for medical transcription services in the estimated amount of \$700,000 for the term July 1, 2010 through June 30, 2011.
- k. approve the first of three renewal options for Olympus America, Inc. – Medical Systems Group (PP-OR-505) for equipment repair and maintenance program for endoscopy and video equipment in the estimated amount of \$503,173 for the term July 9, 2010 through July 8, 2011.
- l. approve the fourth and final renewal option for American Medical Equipment Company for home oxygen therapy services in the estimated amount of \$200,000 for the term August 1, 2010 through July 31, 2011.
- m. approve the first of four renewal options for Eclipsys Corporation for a financial decision support software system in the estimated amount of \$106,272 for the term June 30, 2010 through June 29, 2011.
- n. approve the first of four renewal options for Advanced Health Education dba MEDRelief Staffing, Favorite Healthcare Staffing, Inc., JWS Health Consultants, Inc., dba UltraStaff, Lead Staffing Corporation, Medical Contracting Services, Inc., Medical Staffing Network, Inc., Omega Rules Professional Nurses, Inc., ProTouch Staffing Inc., Smith & Dean Inc. dba Dean's Professional Services, SunPlus Health Care Solutions, Inc., and TexMed Staffing, LC for non-professional healthcare temporary personnel in the estimated amount of \$1,000,000 for the term July 1, 2010 through June 30, 2011.
- o. approve exemption from the competitive bid requirements for Baylor College of Medicine for physician services for school-based teen clinic program in Precinct 3 in the estimated amount of \$150,000 for the term July 1, 2010 through June 30, 2011.
- p. WITHDRAWN.
- q. approve additional funds for Stericycle, Inc. for medical waste disposal in the estimated additional amount of \$110,000 for the term October 1, 2009 through September 30, 2010 (Board previously approved funds in the

amount of \$503,646 for the term October 1, 2009 through September 30, 2010).

- r. approve assignment of the agreement for Wachovia Insurance Services (assignor) and Wells Fargo Insurance Services USA, Inc. (assignee) for human resources consulting services in the amount of \$170,000 for the term October 1, 2009 through September 30, 2010.
- s. approve exemption from the competitive bid requirements for Ann Smith Barnes, M.D. through Baylor College of Medicine for medical director for a comprehensive weight management initiative for Hospital District employees and patients in the estimated amount of \$175,830 for the term August 1, 2010 through July 31, 2011 with a one-year renewal option.
- t. award on the basis of low bid meeting specifications for Cardinal Health to provide fecal occult blood immunochemical testing kits in the estimated amount of \$193,456 for the term July 1, 2010 through June 30, 2011 with four one-year renewal options.
- u. award on the basis of low bid for Accudata Systems, Inc. and SHI Government Solutions for the Citrix environment expansion project in the total multi-vendor estimated amount of \$1,168,462 (Accudata Systems, Inc. - \$380,832; SHI Government Solutions - \$787,630) for the term July 1, 2010 through June 30, 2011 with two one-year renewal options.
- v. approve exemption from the competitive bid requirements and renewal for John W. Riggs, M.D. through the University of Texas Health Science Center at Houston for consulting services for Epic Clinical Project in the estimated amount of \$207,231 for the term September 1, 2010 through August 31, 2011.
- w. award on the basis of most qualified vendors meeting requirements for Good Shepherd Home Health Services and Star Home Health, Inc. for comprehensive home health care services in the estimated multi-vendor amount of \$900,000 (vendors will be contacted in a rotating order enabling the Hospital District to utilize both vendors) for a one year initial term with four one-year renewal options.
- x. award on the basis of best bids for Acclivity Healthcare of Texas, LLC, Recourse Communications, Inc., Terry Stukalin Health Care Management Services, Inc., and The Edge Group for recruitment services of nurse management/director positions in the estimated multi-vendor amount of \$140,000 for the term June 25, 2010 through June 24, 2011 with four one-year renewal options.
- y. award for the Harris County Hospital District to perform laboratory testing services for the Harris County Institute of Forensic Sciences in the

estimated revenue amount of \$27,500 for the term July 1, 2010 through June 20, 2011 with one-year renewal options.

- z. ratify additional funds and an extension for CA, Inc. for software license and maintenance for thirteen software programs in the additional amount of \$100,607 for the extended term April 30, 2010 through August 30, 2010 (Board previously approved funds in the amount of \$284,733 for the term April 30, 2009 through April 29, 2010).
- aa. ratify purchase on the basis of best contracts for Ev3 Incorporated, Medtronic Neurologic Technologies, Aesculap, Inc., and Integra Neurosciences for neurosurgical products in the estimated amount of \$510,098 for the term June 1, 2010 through May 31, 2011.
- bb. ratify additional funds and an extension for Siemens Healthcare Diagnostics Inc. (PP-LA-197) for immunochemistry analyzers/integrated platform (chemistry and immunochemistry analyzers, automation, reagents, consumables and services) in the estimated additional amount of \$716,656 for the extended term July 1, 2010 through December 31, 2010 (Board previously approved funds in the amount of \$143,521 for the term July 1, 2008 through June 30, 2010 and \$2,628,748 for the term July 1, 2008 through June 30, 2010).
- cc. ratify the second and final renewal option for Fresenius USA Marketing, Inc. for hemodialysis supplies in the estimated amount of \$284,796 for the term May 1, 2010 through April 30, 2011.
- dd. ratify additional funds and an extension for Hill-Rom Company, Inc. (PP-MM-086 fka PP-NS-357) for rental of specialty beds/patient beds in the estimated additional amount of \$238,734 for the extended term March 1, 2010 through August 31, 2010 (Board previously approved funds in the amount of \$177,467 for the term April 1, 2009 through February 28, 2010 and \$300,000 for the term April 1, 2009 through February 28, 2010).
- ee. ratify additional funds and an extension for Bayer Health Pharmaceuticals (\$2,250) and GE Healthcare (\$275,250) for specific pharmaceutical products (contrast media) in the estimated additional multi-vendor amount of \$277,500 for the extended term May 1, 2010 through July 31, 2010 or until a new contract is in place (Board previously approved funds in the amount of \$1,083,500 for the term March 1, 2009 through April 30, 2010).
- ff. ratify the first of four renewal options for Network Sciences, Inc. for joint eligibility software system in the estimated amount of \$353,890 for the term August 22, 2009 through August 21, 2010.
- gg. ratify purchase on the basis of best contracts for Osteotech, Inc. (Osteotech) and Musculoskeletal Transplant Foundation (MTF) for bone tissue and synthetic implantable products in the estimated multi-vendor

amount of \$800,531 (Osteotech, Inc. - \$49,443; Muskuloskeletal Transplant Foundation - \$751,088) for the term June 1, 2010 through May 31, 2011.

- hh. ratify the third and final renewal option for Gulf Coast II Lithotripsy, LP for lithotripsy services in the estimated amount of \$268,800 for the term May 1, 2010 through April 30, 2011.
- ii. ratify the first of three renewal options for Emporos Systems Corporation to provide maintenance and support of the pharmacy cashiering system in the estimated amount of \$128,084 for the term June 16, 2010 through June 15, 2011.
- jj. This item was addressed under Agenda Item V.
- kk. approve exemption from competitive bid requirements and renewal for MexConex USA, LLC dba Nurses Now International to provide bilingual RN services in the estimated amount of \$1,250,000 for the term July 9, 2010 through July 8, 2011.

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

- a. transmittal of purchase on the basis of sole source for ev3 Inc. to provide a non-adhesive liquid embolic agent in the amount of \$71,145.
- b. transmittal of renewal on the basis of sole source for Hill-Rom Company, Inc. to provide maintenance service for the fetal heart monitoring system in the estimated amount of \$75,100 for the term July 1, 2010 through June 30, 2011.
- c. transmittal of purchase on the basis of sole source for Biocompatibles, Inc., distributed exclusively by Angiodynamics, Inc. to provide a drug embolism bead system in the estimated amount of \$71,760 for the term April 15, 2010 through April 14, 2011.
- d. transmittal of exemption from the competitive bid requirements for Baylor College of Medicine for medical director for the Demonstration to Maintain Independence and Employment (DMIE) Project in the amount of \$81,174 for the term September 1, 2009 through August 1, 2010.
- e. transmittal of the second of four renewal options for Thompson Paper Products of Texas, Inc. for medical record patient chart folders in the estimated amount of \$62,000 for the term August 1, 2010 through July 31, 2011.
- f. transmittal of purchase on the basis of sole source contract for Welch Allyn, Inc. through Cardinal Health for electronic thermometry in the estimated amount of \$63,840 for the term May 1, 2010 through April 30, 2011.
- g. transmittal of funding on the basis of product standardization for DJO LLC (PP-NS-561) for adjustable cervical collars in the estimated amount of \$89,305 for the term December 1, 2009 through November 30, 2010.

Motion 10.6-89

Moved by Ms. Truesdell, seconded by Mr. Wortham, and unanimously passed, that the Board approve items VI.B. to VI.M.

- B. Approval of an Agreement between the Harris County Hospital District and the Texas Department of State Health Services and acceptance of funding for the Ben Taub General Hospital Epilepsy Program in the amount of \$139,998 for the term September 1, 2010 through August 31, 2011.
- C. Ratification of an Agreement between the Harris County Hospital District and the Baylor College of Medicine, Department of Psychiatry, to provide psychiatric services to eligible homeless individuals of the Healthcare for the Homeless Program in grant funds in the not-to-exceed amount of \$32,000 for the term November 1, 2009 through October 31, 2010.
- D. Ratification of an Agreement between the Harris County Hospital District and Lord of the Streets Episcopal Church to provide on-site health care services to eligible homeless individuals in the not-to-exceed amount of \$66,200 for the term May 1, 2010 through April 30, 2011.
- E. Ratification of an Agreement between the Harris County Hospital District and Salvation Army, Harbor Light to provide substance abuse treatment and on-site health care services to eligible homeless individuals in federal grant funds in the not-to-exceed amount of \$41,191 for the term November 1, 2009 through October 31, 2010.
- F. Approval to terminate the lease agreement between the Harris County Hospital District and 5959 Long Investments, LLC for approximately 9,725 square feet of leased space located at 5959 Long Drive, Houston, Texas, 77087 for the District's South Loop Eligibility Center (The Hospital District anticipates vacating the leased space by June 30, 2010).
- G. Authorization to enter into lease option 1 of the lease agreement with University Christian Church for 43 parking spaces for additional parking at Quentin Mease Hospital at a rate of \$1,100 per month for the term September 1, 2010 through August 31, 2011.
- H. Authorization to enter into the 7th term of the lease (73-84 Months) agreement with Houston Business Development, Inc. for the leasing of approximately 11,000 square feet of space for the Dental Center at 5230 Griggs Road for the monthly lease rate of \$11,000 plus a decrease in the common area maintenance fee (\$1,985.86) for a total monthly rate of \$12,985.86.
- I. Authorization to enter into the 2nd Term of the lease agreement with South Loop Associates, L.P. (2636 South Loop Building) to lease space located on the 1st floor (4,950 sq. ft.), 7th floor (17,355 sq. ft.), 8th floor (18, 641 sq. ft.) and 9th floor (18,415 sq. ft.) for a total of 59,361 square feet of space for our Health Maintenance Organization, Community Health Choice for the term August 1,

2010 to July 31, 2011. The rate for this term will be \$962,249.80 per year. In addition, Community Health Choice will pay \$40.00 per reserved parking space and \$20.00 per each additional unreserved parking space. Community Health Choice will fund the costs associated with the monthly lease payments and parking fees.

- J. Approval of Amendment No. 5 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 \$113,210.30.
- K. Consideration of Ratification of a Salary Reimbursement Agreement between the Harris County Hospital District and The University of Texas M.D. Anderson Cancer Center for the LBJ Patient Navigator Program.
- L. Ratification of the Revised Harris County Hospital District's HIPAA and Texas Privacy and Security Law Compliance – CHC Policy 3.12.
- M. Ratification of the Revised Harris County Hospital District's HIPAA and Texas Privacy and Security Law Compliance Policy 3.11.

Motion 10.6-90

Moved by Dr. Varadhachary, seconded by Mr. Finder, and unanimously passed, that the Board approve item VI.N.

- N. Approval of the Harris County Hospital District Consolidated Audited Financial Statements.

VII. Reports of the Committees

A. Joint Conference Committee

Dr. Peter Doyle presented the credentialing changes for members of the HCHD medical staff for June. Questions were raised regarding agenda item VII.A.3. Dr. Sutton stated that this physician has been mainly treating adults and is requesting privileges in other settings. Dr. Santos asked if the physician had gone through a child psych fellowship. Dr. Sutton stated that he was not sure, but he was recommended by the Chief of Psychiatry as being appropriate. Agenda Item VII.A.3 was pulled and will be presented at the July 29, 2010 meeting. A copy of the report is available in the permanent record.

1. Motion 10.6-91

Moved by Dr. Varadhachary, seconded by Mr. Finder, and unanimously passed, that the Board approve the June credentialing changes for members of the HCHD Medical Staff.

Dr. Peter Doyle presented the Medical Executive Board Report. He stated that there was a very successful medical staff retreat held on June 5, 2010. Dr. Santos noted that one of the Housestaff Orientations has already taken place, and questioned the

schedule. Dr. Sutton stated that one will be held on June 25 (BTGH) and June 28 (LBJ), both at 7 a.m. Discussion ensued regarding staffing in Physician Services Administration. A copy of the report is available in the permanent record.

2. Motion 10.6-92

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

Agenda item VII.A.3 was deferred until the July 29 meeting for additional information.

3. Approval of credentialing change in clinical privilege for Baylor College of Medicine, Psychiatry – adding all age children's patient group.

B. Budget and Finance Committee

Mr. Norby presented the May 2010 Financial Report. He noted that there is a major revenue variance, which is mainly due to the timing of the receipt of trauma funds. Interest income is lower than planned. Total operating expense is approximately 0.5% above budget. Total salaries are a little lower than this time last year, but still behind budget. The total productive FTEs are 180 lower than this time last year, but also still higher than budget targets. Administration continues to carefully review the replacement of each position. Mr. Lopez noted that difficult months are usually the summer months so this is being monitored very carefully.

A copy of the report is available in the permanent record.

1. Motion 10.6-93

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

Mr. Norby presented the May 2010 Pension Plan Report. The plan is 79% funded as of the end of May. A copy of the report is available in the permanent record.

2. Motion 10.6-94

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

Mr. Norby presented the First Quarter FY 2011 Investment Report. A copy of the report is available in the permanent record.

3. Motion 10.6-95

Moved by Dr. Varadhachary, seconded by Mr. Franklin, and unanimously passed, that the Board accept the First Quarter FY 2011 Investment Report subject to audit.

4. Presentation of the May 2010 Financial Statements of Community Health Choice, Inc.

Mr. Ken Janda presented the May 2010 CHC Financial Report. The financials show a loss for the month of May. Membership is growing and ahead of plan. CHC is behind in revenue compared to budget. Some improvement should be seen in June due to a renegotiated contract with HCA. He noted that they are redoubling efforts from a case management standpoint. They are \$1.8 million ahead of budget on administrative costs. The CHC Board is working hard to address these issues. There have been some significant budget issues with CHIP and Medicaid, and they are not going to get a rate decrease. The rates are stable for the next year. Ms. Truesdell asked if the CHC Board was looking at strategies and noted that there is growing concern with this demographic and healthcare. Discussion ensued.

Dr. Santos noted that CHC made a considerable profit the last couple of years and is now down over \$20 million. He stated that he did not have a sense of why this is. He noted that CHC is one of only two with a barrier to psychiatric care, which is not required by law. From a public perception, an unnecessary barrier is being placed on a very large population of adult psychiatric patients. Mr. Janda suggested that they discuss this further since it was his understanding that CHC was following state requirements for this population. However, from a financial standpoint, almost all members are pregnant women and young children. Psychiatric issues are not one of the primary drivers of financial issues. Dr. Santos stated that he does not clearly understand the substantial drop in productivity. Mr. Janda will go through the financials in detail at the July 15 Budget & Finance Committee meeting. Discussion ensued. A copy of the report is available in the permanent record.

C. Planning and Operations Committee

Motion 10.6-96

Moved by Mr. Franklin, seconded by Mr. Finder, and unanimously passed, that the Board approve agenda items VII.C.1-VII.C.3.

1. Approval of correction of term of an Agreement between the Harris County Hospital District and Baylor College of Medicine to provide Medical Education Director Services funded by Ryan White Modernization Act Part F to the AIDS Education Training Centers Local Performing Site to the correct term of July 1, 2010 through June 30, 2011.
2. Approval of correction of term of an Agreement between the Harris County Hospital District and The Resource Group, Inc., to provide primary medical care to eligible HIV-infected adolescents at District facilities funded by Ryan White Modernization Act Part D to the correct term of September 1, 2009 through August 31, 2010.

3. Approval of correction of term of an Agreement between the Harris County Hospital District and Dallas County Hospital District, The Parkland Foundation for Texas/Oklahoma AIDS Education and Training Center funded under Ryan White Modernization Act Part F to provide state of the art education and treatment, training and consultation and support to healthcare professionals treating HIV+ patients to the correct term of July 1, 2010 through June 30, 2011.

VIII. Miscellaneous Agenda Items

A. Motion 10.6-97

Moved by Mr. Wortham, seconded by Dr. Santos, and unanimously passed, that the Board accept an Award of \$178,750 to the Harris County Hospital District from the Department of State Health Services for Breast and Cervical Cancer Services (BCCS) for FY 2010-2011 (July 1, 2010 through June 30, 2011).

B. Motion 10.6-98

Moved by Ms. Truesdell, seconded by Mr. Wortham, and unanimously passed, that the Board ratify an Agreement between the Harris County Hospital District and AstraZeneca Pharmaceuticals LP ("AstraZeneca") to participate in the AZ&Me Prescription Savings Program for Healthcare Facilities at no cost.

C. Motion 10.6-99

Moved by Mr. Finder, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the following appointments to the Committees of the Harris County Hospital District Board of Managers:

Mr. Finder to replace Mr. Jackson on the Budget & Finance Committee, Planning & Operations Committee, and Corporate Compliance Committee.

Ms. Spinks to replace Mr. Jackson on the Audit Committee.

Ms. Truesdell (Chair), Mr. Finder, and Mr. Franklin to be appointed to the Bylaws Review Committee.

D. Consideration of an Interim Election for an Assistant Secretary for the Harris County Hospital District Board of Managers

Agenda Item VIII.D. was pulled from the agenda.

E. Analysis of the Effectiveness of the Nurse Staffing Advisory Committee

Mr. Douglas Wakhu presented a report on the effectiveness of the Nurse Staffing Advisory Committee. Staff remains actively involved and the meetings provide a forum for them to discuss all issues. Discussion ensued. Dr. Santos asked how many members were on the committee. Mr. Wakhu stated that there are 67 members and 42 are staff nurses. There is an average of 26 participants in each meeting. Requirements indicate that a certain percentage of members must be staff nurses.

IX. President/Chief Executive Officer's Report to Include: 1) Report on Discussion of the Status of our Capital Projects and Strategic Plan with County Commissioners Court; and 2) Critical Issues to Address by Fiscal Year End 2011

Report on Discussion of the Status of our Capital Projects and Strategic Plan with County Commissioners Court

Mr. Lopez stated that the Harris County Hospital District Strategic Plan was presented to Commissioners Court on June 22. Also presented was the status of the District's capital projects including the new Holly Hall site, LBJ, and MLK. The plan was accepted and there was not much discussion after the presentation. One question that arose was what would happen to the additional DSH/UPL revenue in the future. There was also discussion regarding the lack of Hospital District presence in precincts 3 and 4 (Northwest Harris County). The District will address some of the concerns that were brought up as they move forward. The County has decided to appoint a task force to address the issue of what healthcare reform means for the community. This task force will include different entities to study the impact. Dr. Varadhachary questioned the driver behind the creation of the task force. Mr. Fury stated that it is primarily to address the needs as a provider. Discussion ensued.

Critical Issues to Address by Fiscal Year End 2011

Mr. Lopez gave a presentation on critical issues that must be addressed by fiscal year end 2011. The cost structure will be reviewed very carefully. This has been talked about many times, but hospitals today would go under if they only relied on Medicare rates going forward. This will be studied closely between now and the end of the fiscal year. This study will include setting standards for productivity. More revenue is needed out of Patient Business Services and staff is currently working on a redesign plan. Ms. Spinks asked if the gold card process would be looked at. Mr. Lopez stated that the eligibility process must be reviewed. There are a number of concerns regarding the process and our patients, and this will require a major redesign. Staff will also study and try to engage FQHCs the best way possible. The patient appointment process is another area of concern and will require redesign. This redesign should assist in improving wait times. Mr. Finder stated that there has been discussion for years regarding the redesign of the finance section to allow for more revenue. He noted that it is ambitious to try and fix this before the end of the fiscal year. He questioned if there was some type of internal task force that had new ideas and was ready to move forward. Mr. Lopez stated that improvement has been seen in the area of collections, but a whole new system and complete redesign is needed allowing them to move forward.

X. Executive Session

At 11:20 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, 074, and 085. Mr. DonCarlos stated that the regular meeting of the Board would reconvene at the close of Executive Session.

Ms. Spinks and Ms. Truesdell left prior to reconvening from Executive Session.

XI. Reconvene

At 1:30 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 a Medical Malpractice Claim filed by Earl Burgess, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter upon Return to Open Session

Motion 10.6-100

Moved by Mr. Wortham, seconded by Mr. Franklin, 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 an amount not to exceed \$25,000, payable to Earl Burgess and his attorney Tommy Hastings, and authorizes the President/CEO on behalf of the District to execute any necessary documents to effect this settlement.

- C. Consultation with the County Attorney regarding Filing a Lawsuit against Select Billing & Collection Services, LTD., pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter upon Return to Open Session

Motion 10.6-101

Moved by Mr. Wortham, seconded by Mr. Franklin, 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 offer from Select Billing & Collection Services, LTD. in the amount of \$22,000, payable to the Harris County Hospital District, 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 Legal Structure of Community Health Choice, Inc. pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter upon Return to Open Session

No action taken.

- E. Discussion and Possible Action regarding a Proposed New Healthcare Service Line pursuant to Tex. Gov't Code Ann. Section §551.085.

No action taken.

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.

No action taken.

XII. Adjournment

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

There being no further business, the meeting adjourned at 1:31 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 June 24, 2010.

Mr. Stephen DonCarlos, Chair
Board of Managers

Mr. E. Dale Wortham, Secretary

Recorded by Christie Reno