



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

Thursday, August 26, 2010

Board Room – Administration Building

BOARD MEMBERS PRESENT

Mr. Stephen DonCarlos, Chair (9:17 a.m.)
Ms. Carolyn Truesdell, Vice Chair
Mr. E. Dale Wortham, Secretary
Dr. George Santos
Dr. Atul Varadhachary
Mr. Elvin Franklin, Jr.
Mr. Lawrence Finder
Ms. Daisy Stiner

BOARD MEMBERS ABSENT

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
Mr. Lester Byrd, Commissioner El Franco Lee's Office (9:18 a.m.)
Ms. Gloria Moreno, Commissioner Sylvia Garcia's Office (9:21 a.m.)
Ms. Elizabeth Neal, Commissioner Jerry Eversole's Office (9:29 a.m.)
Administrative Staff
Guests
(Sign-in Sheets attached to permanent record)

I. Call to Order and Record of Attendance

Ms. Carolyn Truesdell, Vice-Chair, called the meeting to order at 9:10 a.m. and noted that a quorum was present. The attendance was recorded.

II. Approval of Minutes of Previous Meetings

Motion 10.8-117

Moved by Mr. Finder, seconded by Mr. Franklin, and unanimously passed, that the Board approve the minutes of the July 29, 2010 Board of Managers Meeting.

III. Hear from Citizens

Ms. Aleya Perez addressed the Board regarding the need for additional space at Strawberry Health Center.

Ms. Beverly Ortiz (Service Employees International Union, Local 1) addressed the Board regarding concerns with the Sodexo contract.

Ms. Cynthia Cole thanked the Board for their consideration of employment of the case management workers at Thomas Street Clinic.

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

Ms. Truesdell stated that items A1r, A1gg, A2d, and A2g have been pulled from the agenda.

Mr. Wortham clarified that item A1j (Sodexo) was just an extension. Mr. Okezie stated that this is an extension until December 2010. This extension is being requested because they have engaged a third party to review the contract and other options available for housekeeping. Mr. Lopez stated that this is being done to make sure staff is looking at this item as objectively as possible. Discussion ensued. Mr. Lopez stated that there will be no more extensions for this agreement and they will either go one direction or another after December. Mr. Franklin stated that the Board was told last year that Administration would immediately start working on this and have data available from January-July, and this was never done. Mr. Wortham stated that there have been several meetings regarding this contract. There has been discussion regarding the numbers that have been presented including the number of FTEs and the number of supervisors. Dr. Santos asked what the timeline was since there is very little time to review this before December. Mr. Okezie stated that they are planning to make a recommendation to the Board no later than October. Mr. Lopez stated that it is important that they feel comfortable with the numbers. Administration was ready with a recommendation a couple of months ago, but it was felt that an independent review was necessary. Ms. Truesdell asked if there was any reason this could not be ready by the September meeting. Mr. Okezie stated that the third party has until mid-September to complete their review. Mr. Lopez stated that he would see if this could be expedited. Mr. Franklin stated that his concern is that this should have started at the beginning of the year.

Motion 10.8-118

Moved by Mr. Wortham, seconded by Ms. Stiner, and unanimously passed, that the Board approve items A(1)a-A(1)gg (with exception of items A1r and A1gg).

A. Items related to Purchasing

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

- a. rescind award for Acclivity Healthcare of Texas, LLC for recruitment services for Directors of Nursing, Nursing Program Managers and Administrative Directors of Nursing for the term June 25, 2010 through June 24, 2011.
- b. award on the basis of only bid received for Mizuho Orthopedic Systems, Inc. to provide an orthopedic table for the Operative Services Department at Lyndon B. Johnson General Hospital in the amount of \$193,784.
- c. award on the basis of sole source for Sunquest Information Systems, Inc. for additional Sunquest Collection Manager Software licenses in the amount of \$560,362 for the term October 1, 2010 through September 30, 2011.
- d. approve renewal on the basis of sole source for Sunquest Information Systems, Inc. to provide software, maintenance and support for the system used by the laboratory for testing, validation and reporting in the estimated amount of \$369,611 for the term October 1, 2010 through September 30, 2011.
- e. award on the basis of best contract for Fujifilm Medical Systems USA, Inc. (Fujifilm) to provide three Computed Radiography (CR) Readers for the Lyndon B. Johnson General Hospital Emergency Center expansion in the amount of \$359,014.
- f. award on the basis of successful negotiations with the highest ranking vendor for Wilson Architectural Group to provide design services for the data centers for the Holly Hall Ambulatory Specialty Clinic and Ben Taub General Hospital in the amount of \$533,760.
- g. award on the basis of lowest priced contract for GE Medical Systems to provide one Radiology System for Gulfgate Health Center and one for Aldine Health Center in the amount of \$144,672.
- h. award for Houston Academy of Medicine – Texas Medical Center Library for subscription library services in the amount of \$67,206 for the term September 1, 2010 through August 31, 2011.
- i. ratify additional funds and an extension for KLS Martin, L.P., Stryker Leibinger Craniomaxillofacial, and Synthes Craniomaxillofacial for craniomaxillofacial and neurosurgical craniofacial implants and related products in the additional amount of \$710,000 for the extended term July 1, 2010 through August 26, 2010 or until a new contract is in place (Board previously approved funds in the amount of \$940,000 for the term July 1, 2009 through June 30, 2010).

- j. approve additional funds and an extension for Sodexo Services of Texas Limited Partnership for housekeeping services in the additional amount of \$2,867,324 for the extended term October 1, 2010 through December 31, 2010 (Board previously approved funds in the amount of \$14,586,769 for the term July 1, 2009 through September 30, 2010).
- k. award on the basis of lowest complete bid for Pepper-Lawson Construction, L.P. for GI Lab renovation/expansion in the estimated amount of \$475,000.
- l. award on the basis of best proposal meeting requirements for MedeAnalytics, Inc. for eligibility screening and real-time verification solution in the amount of \$975,067 for a one-year initial term with four one-year renewal options.
- m. award on the basis of low quote for Rush Truck Centers of Texas, LP dba Rush Bus Center, San Antonio for 2010 Ford E-450, 25 passenger shuttle bus (3 ea.) in the amount of \$152,403.
- n. award on the basis of best bids for Stryker Craniomaxillofacial and Synthes USA for craniomaxillofacial and neurosurgical craniofacial implants and related products in the estimated amount of \$1,570,000 for the term August 27, 2010 through August 26, 2011 with four one-year renewal options.
- o. approve the second of four renewal options for Hernandez Landscape Company to provide grounds maintenance in the estimated amount of \$204,455 for the term November 1, 2010 through October 31, 2011.
- p. approve the first of three renewal options for Aon Investment Consulting, Inc. for investment consultant services for 401(k) Plan, 457(b) Plan and Pension Plan in the estimated amount of \$224,910 for the term October 1, 2010 through September 30, 2011.
- q. approve the second of four renewal options for Harger Howe & Associates for employment recruitment advertising and miscellaneous creative services in the estimated amount of \$620,000 for the term October 1, 2010 through September 30, 2011.
- r. WITHDRAWN.
- s. approve the fourth and final renewal option for Linebarger Goggan Blair & Sampson, LLP (LGBS) - \$400,000, NCO Financial Systems, Inc. (NCO) - \$600,000, and FMA Alliance, Ltd. (FMA) - \$1,500,000 to provide collection services for early-out and overdue patient accounts in the total multi-vendor estimated amount of \$2,500,000 for the term September 1, 2010 through August 31, 2011 (FMA and NCO) and October 1, 2010 through September 30, 2011 (LGBS).

- t. ratify award on the basis of only bid by class for Bracco Diagnostics Inc. - \$31,295 and GE Healthcare Inc. - \$574,466 to provide pharmaceutical products used in radiology for imaging in the total multi-vendor estimated amount of \$605,761 for the term August 1, 2010 through April 30, 2011 with two one-year renewal options.
- u. approve funding for the third year of a five-year Agreement for Siemens Healthcare Diagnostics Inc. (PP-LA-217) for automated microbial identification and susceptibility analyzers in the estimated amount of \$167,289 for the term September 27, 2010 through September 26, 2011.
- v. approve the first of four renewal options for Siemens Healthcare Diagnostics, Inc. to provide HIV-1 genotype testing in the estimated amount of \$300,379 for the term October 1, 2010 through September 30, 2011.
- w. award on the basis of product standardization for Olympus America, Inc. – Medical Systems Group (PP-OR-505) for endoscopy and video equipment in the amount of \$215,951.
- x. ratify emergency purchase for Siemens Medical Solutions USA, Inc. for emergency repair to Special Procedure X-Ray Room at Lyndon B. Johnson General Hospital in the amount of \$184,595.
- y. approve an assignment of Agreement for Holland & Davis, LLC (assignor) and Nash Holdings, LLC d/b/a Endeavor Management (assignee) for Information Technology consulting and contracting for the term September 1, 2010 through August 31, 2011.
- z. award on the basis of best proposal meeting requirements for Reed Group for Family Medical Leave Act, short-term disability and medical case management program and services in the estimated amount of \$375,000 for a one-year initial term with four one-year renewal options.
- aa. approve termination of contract for Parallax Builders for restroom renovation in the amount of \$190,150.
- bb. approve funding for the third year of a six-year Agreement for Western Reserve MedTec Services LLC to provide laparoscopic surgical equipment and support technicians to assist Operative Services in OR set up and sterilization processing services in the estimated amount of \$1,354,000 for the term September 8, 2010 through September 7, 2011.
- cc. approve the second and final renewal option for Nutricia North America (\$555), Mead Johnson & Company (\$3,860), Abbott Nutrition, a division of Abbott Laboratories (\$17,000), and Nestle Healthcare Nutrition, Inc. (\$234,547) to provide nutritional products in the estimated amount of \$255,962 for the term August 1, 2010 through July 31, 2011.

- dd. ratify the second of four renewal options for Cymetrix Corporation for outsourcing of account receivable resources in the estimated amount of \$3,000,000 for the term July 21, 2010 through July 20, 2011.
- ee. ratify purchase as an exception to the Harris County Hospital District Purchasing Manual requirements for SpecialtyCare Cardiovascular Resources, Inc. (f/k/a HCSG Cardiovascular Resources, Inc.) (SpecialtyCare) for extracorporeal (perfusion) services in the estimated amount of \$192,000 for the term July 11, 2010 through July 10, 2011.
- ff. approve the second of two renewal options for Micrus Endovascular Corporation for embolization coils in the estimated amount of \$125,000 for the term October 1, 2010 through September 30, 2011.
- gg. WITHDRAWN.

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

- a. transmittal of purchase on the basis of sole source for Sunquest Information Systems, Inc. for upgrade of the Sunquest Laboratory[™] Software System in the amount of \$63,800 for the term October 1, 2010 through September 30, 2011.
- b. transmittal of purchase on the basis of lowest priced contract for Berchtold Corporation for OR lights and booms in the amount of \$83,876.
- c. transmittal of additional funds for Turner Construction for build-out of the 5th Floor Physical Therapy Gym at Quentin Mease Community Hospital in the estimated additional amount of \$49,362 (Board previously approved funds in the amount of \$1,507,000).
- d. WITHDRAWN.
- e. transmittal of the third and final renewal option for Verge Solutions, LLC for annual license fees for medical records audit and JCAHO software accreditation system in the amount of \$56,950 for the term September 1, 2010 through August 31, 2011.
- f. transmittal of purchase on the basis of product standardization for Bio-Rad Laboratories, Inc. to provide rapid response HIV-1 Western Blot confirmation testing kits in the estimated amount of \$80,740 for the term October 1, 2010 through September 30, 2011.
- g. WITHDRAWN.
- h. transmittal of funding for Bio-Rad Laboratories (\$2,142) and Microgenics Corp. through Fisher Healthcare (\$64,108) for quality control materials in the estimated amount of \$66,250 for the term September 1, 2010 through March 31, 2011.

Mr. Norby addressed item IV.B., stating that staff has gone back and done some recalculations since the committee meeting. The amount of the agreement has been amended to \$994,336

Motion 10.8-119

Moved by Dr. Santos, seconded by Mr. Franklin, and unanimously passed, that the Board approve items IV.B – IV.J (with the exception IV.E and IV.F and Dr. Varadhachary abstaining on IV.I.).

- B. Ratification of Second Amendment to the Third Amended Administrative Services Agreement between the Harris County Hospital District and Community Health Choice, Inc.
- C. Approval of a Continuation of a Supplemental Grant Award from the City of Houston on behalf of its Department of Health and Human Services to the Harris County Hospital District funded under the Texas Department of State Health Services to provide expanded routine HIV testing at District facilities in the amount of \$500,000 for the term September 1, 2010 through August 31, 2011.
- D. Approval of a Continuation of an Agreement between the Harris County Hospital District and the City of Houston on behalf of its Department of Health and Human Services funded by the Centers for Disease Control and Prevention to provide expanded and integrated HIV testing for populations disproportionately affected by HIV at District facilities in the not-to-exceed amount of \$244,960 for the term September 30, 2010 through September 29, 2011.
- E. WITHDRAWN.
- F. WITHDRAWN.
- G. Approval of the Second Amendment to the Harris County Hospital District 401K Plan.
- H. Appointment of Michael Norby to Signature Authority for Schedule “E” of the Trust Agreement between the Harris County Hospital District and Fidelity Management Trust Company for the 401K Plan.
- I. Ratification of a Subaward Agreement between the Harris County Hospital District and the University of Texas M.D. Anderson Cancer Center for dissemination of a smoking quitline to the underserved for the term September 1, 2010 through August 31, 2011.
- J. Approval of an Agreement between the Harris County Hospital District and the Texas Department of State Health Services for case management services for children with special health care needs and acceptance of funding in the amount of \$60,000 for the term September 1, 2010 through February 28, 2011.

V. Reports of the Committees

A. Joint Conference Committee

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

1. Motion 10.8-120

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

2. Motion 10.8-121

Moved by Mr. Franklin, seconded by Mr. Finder, and unanimously passed, that the Board approve the credentialing change in clinical privilege for Baylor College of Medicine, Emergency Medicine – changing from Surgical to EC Privileges.

3. Motion 10.8-122

Moved by Ms. Truesdell, seconded by Ms. Stiner, and unanimously passed, that the Board approve the credentialing change in clinical privileges for Baylor College of Medicine, Psychiatry – adding all age children's patient group.

4. Motion 10.8-123

Moved by Ms. Stiner, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the credentialing change in clinical privileges for Baylor College of Medicine, Internal Medicine – adding sleep study interpretation.

5. This item was a duplicate of V.A.3.

6. Motion 10.8-124

Moved by Ms. Truesdell, seconded by Dr. Varadhachary, and unanimously passed, that the Board approve the credentialing change in clinical privileges for the University of Texas Health Science Center, Pediatrics – adding pediatric privileges.

7. Motion 10.8-125

Moved by Ms. Truesdell, seconded by Mr. Finder, and unanimously passed, that the Board approve the credentialing change in clinical privileges for the University of Texas Health Science Center, OB/GYN – moving from Baylor to UT OB/GYN and adding hysterectomy.

B. Budget and Finance Committee

Mr. Norby presented the July 2010 Financial Report. Volume was consistent with previous months with outpatient volume being higher. Discussion ensued regarding adjusted patient days. A decline was again seen in inpatient admissions at BTGH and births are down over 500 compared to this time last year. There was also a decline in inpatient volume at LBJ primarily driven by the number of births. It was noted that

births are down across the county. Mr. DonCarlos noted that the payor mix showed improvement in July. Discussion ensued regarding the payor mix. Ms. Truesdell addressed the attached operating statement, stating that she found this format easier to read even though it does not have a comparison to the prior year. Mr. Norby addressed revenue, stating that net patient service revenue is down slightly for the month. Salaries are running less than budget and less than the previous year. Productive FTEs are approximately 150 favorable to budget for the month and approximately 400 favorable compared to the same time last year. Discussion ensued. Dr. Santos asked for some explanation on how FTE's per adjusted occupied bed is calculated. A copy of the report is available in the permanent record.

1. Motion 10.8-126

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

Mr. Norby presented the July 2010 Pension Plan Report. The plan is 80.7% funded as of the end of July. A copy of the report is available in the permanent record.

2. Motion 10.8-127

Moved by Ms. Stiner, seconded by Dr. Varadhachary, and unanimously passed, that the Board accept the July 2010 Pension Plan Report subject to audit.

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

Mr. Ken Janda presented the July 2010 CHC Financial Report. The net loss for the month was \$1 million, which is an improvement over previous months. Dr. Santos asked if there was a future projection. Mr. Janda stated that they anticipate breaking even for the rest of the year. A copy of the report is available in the permanent record.

4. Agenda Item V.B.4. was pulled from the agenda.

Consideration of approval of emergency purchase for GE Medical Systems (PP-IM-085) to provide an Extremity Magnetic Resonance Imaging (MRI) System for Ben Taub Radiology Department in the Amount of \$586,700.

C. Planning and Operations Committee

Ms. Gould presented the third amendment to the Harris County Hospital District Nationwide Retirement Solutions, Inc. Deferred Compensation Plan for public employees for approval. She stated that the need for the amendment came from the District employing its own physicians. Previous plans had a statement that physicians were excluded and now physicians who are District employees are eligible to participate. Discussion ensued regarding legal requirements. Ms. Leal stated that the District has the ability to hire physicians under the Occupations Code. Dr. Santos asked if they were doing this because there was a clear statute or if it was their

interpretation that it could be done. Ms. Leal stated that they are looking at the broader picture that all governmental entities can employ physicians. The Occupations Code does not include Hospital Districts. She stated that they could probably have a more in-depth discussion at a future meeting in Executive Session. Discussion ensued.

1. Motion 10.8-128

Moved by Mr. Wortham, seconded by Ms. Stiner, that the Board approve the Third Amendment to the Harris County Hospital District Nationwide Retirement Solutions, Inc. Deferred Compensation Plan for Public Employees to be effective August 26, 2010.

The motion passed with roll call, 7-1, with Dr. Santos voting no.

Motion 10.8-129

Moved by Ms. Truesdell, seconded by Ms. Stiner, and unanimously passed, that the Board approve agenda items V.C.2 and V.C.3.

2. Approval of an Agreement between the Harris County Hospital District and the Department of State Health Services and acceptance of funding in the amount of \$100,000 for the term September 1, 2010 through August 31, 2011.
3. Approval of an Agreement between the Harris County Hospital District and the Department of State Health Services and acceptance of funding in the amount of \$201,650 for the term September 1, 2010 through August 31, 2011.

D. Legislative Committee

Ms. Schneider presented the Legislative Committee Report (federal level). She stated that everyone is in campaign mode on the federal level and every decision is a result of this. Congress is in recess right now and there are some town hall meetings occurring. Senator Hutchison has included one earmark for the District and there will hopefully be a successful appropriations process. Ms. Stiner asked if there were any issues from the town hall meetings that impact the District. Mr. Hillier stated that they participated in a press conference two weeks ago with Rep. Jackson Lee for stimulus funding. He noted that Rep. Culberson also had a town hall meeting last week.

Mr. Hillier stated that Congress did act and extend the federal match under Medicaid on the state level. This will continue the District's enhanced Dispro and UPL payments. A letter has been sent to all governors stating that they must agree to accept those funds by September 24, 2010. He addressed proposed state budget cuts, stating that \$568 million in reductions are being proposed. This will include reductions in provider payments and severe reductions and eliminations in mental and behavioral health.

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

VI. Miscellaneous Agenda Items

Agenda Item VI.G was pulled from the agenda.

Motion 10.8-130

Moved by Mr. Wortham, seconded by Ms. Truesdell, and unanimously passed, that the Board approve agenda items VI.A.-V.F.

- A. Ratification of an Agreement between the Harris County Hospital District and Bristol-Myers Squibb Patient Assistance Foundation, Inc., to participate in the Bristol-Myers Squibb Hospital Outpatient Assistance Program at no cost to the District.
- B. Approval of a certification for the Harris County Hospital District Upper Payment Limit (UPL) Program of Governmental Entity Participation.
- C. Approval of the new Harris County Hospital District Prevention of Surgical Site Infections (SSI) Policy #1408 effective August 26, 2010
- D. Approval of the new Harris County Hospital District Prevention of Multi-Drug Resistance Organisms and Other Clinically Significant Organisms Policy #1407 effective August 26, 2010.
- E. Approval of the Harris County Hospital District Required Reporting of Diseases and Conditions Policy #1101 effective August 26, 2010.
- F. Approval of the Harris County Hospital District Infection Control Program Policy #1000 effective August 26, 2010.
- G. WITHDRAWN.
- H. Presentation by Judy Ringholz, J.D., Compliance Director – Health Care Group, Sonnenschein Nath & Rosenthal LLP regarding the Importance and Significance of Corporate Compliance Programs

Ms. Judy Ringholz gave a presentation on the importance and significance of Corporate Compliance Programs. She stated that the Hospital District was under the Certification of Compliance Agreement and the term has now ended. The Hospital District will now consider all that has been learned during the term to continuously build upon and enhance the compliance program. The presentation was reviewed with the Board of Managers. It will be made a part of the permanent record to show the Board has received additional corporate compliance education. Mr. Reeves stated that Ms. Ringholz will speak at the Management Forum in October. Mr. Finder noted

that the Board needs to have periodic education as well. Discussion ensued. A copy of the presentation is available in the permanent record.

VII. President/Chief Executive Officer's Report to Include: 1) Mid-Year Budget Review; 2) Status of GME Reimbursement; and 3) Baylor/Methodist Capital Funding

Mid-Year Budget Review

Mr. Lopez presented the FY11 Mid-Year Review. The document was distributed to the Board for review. Mr. DonCarlos addressed the Radiation Therapy, Diagnostic Imaging and Specialty Clinic Building. It was asked that Mr. Lopez take another look at the cost of parking for employees. Mr. Lopez stated that employees will begin parking in the garage on September 28. The rates proposed would be equal to what the employees at Ben Taub are paying. Mr. Burdett stated that the employees moving from the Leland Lot will not be paying anything to park in the new garage. The employees paying to park in the garage are those that are housed at Holly Hall.

Ms. Truesdell addressed the FY11 Mid-Year Review handout, stating that there have been many reports of problems with access to patient care and the referral center. Mr. Lopez stated that Strawberry Clinic is having problems with access, but other areas have improved access such as El Franco Lee Clinic. Mr. Masi noted that Dr. Trenchel is preparing a report to come back through the PI & Patient Safety Committee. Discussion ensued.

Mr. Franklin addressed the El Franco Lee Community Health Center update. The report states that several new providers are being added before the end of this calendar year, which is projected to increase the monthly visits to over 6,000 per month. Mr. Franklin asked why it was taking so long to get the vision program off the ground. Dr. Trenchel stated that they have been in discussion with the ophthalmologic provider at Baylor to bring them on board. Mr. Franklin stated that the promise was made for this program and making it happen needs to be a priority.

Discussion ensued regarding the current marketing and branding campaign and potential dba names for the District. Ms. Truesdell stated that there are new members on the Board since this was last discussed and she did not think there was ever an agreement made in the past. Mr. Lopez stated that there will be further discussion regarding this issue with the Board. Mr. Franklin reminded Administration that, if we brand, we need to be prepared to handle the resulting costs that may arise. Discussion ensued. Naming opportunities will be put on the September 30, 2010 agenda. A copy of the presentation is available in the permanent record.

Status of GME Reimbursement

Mr. Lopez addressed the status of GME reimbursement. He stated that the wrong formula was being used to reimburse the District for GME services and the District is

working to get this resolved. This is probably 1-2 months away from full resolution. This would mean approximately an additional \$5 million in revenue.

Baylor/Methodist Capital Funding

Mr. Lopez stated that Administration is working with the Foundation to try and get additional funds for capital building. This is a potential opportunity and the Board will be kept informed of any updates.

VIII. Executive Session

At 11:51 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.

IX. Reconvene

At 12:44 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 Claim Filed by Helena Savage, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter upon Return to Open Session.

Motion 10.8-131

Moved by Mr. Wortham, 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 a settlement in an amount not to exceed \$4,869.63, with \$2,160.00 payable to Helena Savage and her attorney Melonie Jones Sutherland, and \$2,709.63 payable to The Rawlings Company LLC 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 Veronica Okon v. HCHD in the U.S. District Court for the Southern District of Texas, Civil Action No. H-09-449 pursuant to Tex. Gov't Code Ann. §551.071.

No action taken.

D. Discussion regarding the Employment of Kathleen Blount and Alvernise Boyd pursuant to Tex. Gov't Code Ann. Section §551.074 and Possible Action regarding this Matter upon Return to Open Session.

No action taken.

X. Adjournment

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

There being no further business, the meeting adjourned at 12:45 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 August 26, 2010.

Mr. Stephen DonCarlos, Chair
Board of Managers

Mr. E. Dale Wortham, Secretary

Recorded by Christie Reno