



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

**Thursday, January 27, 2011**

**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.  
Mr. Lawrence Finder  
Ms. Mary Spinks

**BOARD MEMBERS ABSENT**

Ms. Daisy Stiner

**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 (10:10 a.m.)  
Mr. Lester Byrd, Commissioner El Franco Lee's Office  
Ms. Elizabeth Neal, Commissioner Jerry Eversole's Office (9:06 a.m.)  
Ms. Nikki Caffey, Commissioner Jack Mormon'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 9:02 a.m. and noted that a quorum was present. The attendance was recorded.

## **II. Approval of Minutes of Previous Meetings**

### **Motion 11.1-01**

Moved by Mr. Finder, seconded by Dr. Santos, and unanimously passed, that the Board approve the minutes of the December 2, 2010 Board of Managers Meeting and the December 15, 2010 Budget Workshop.

## **III. Hear from Citizens**

*Ms. Christine Lund* addressed the Board regarding inadequate care received at the LBJ Emergency Center.

*Ms. Bernadette Thomas* addressed the Board regarding problems encountered when referred from Squatty Health Center to the LBJ Emergency Center.

## **IV. Consideration of Appointments to Board of Managers' Committees**

### **Motion 11.1-02**

Moved by Dr. Santos, seconded by Ms. Truesdell, and unanimously passed, that the board approve the following changes to the Board of Managers' Committees and keep the membership on the remaining committees the same as 2010:

*Planning and Operations:* Elvin Franklin, Jr., Chair; Mary Spinks, Dale Wortham, Lawrence Finder

*Performance Improvement and Patient Safety:* George Santos, M.D., Chair; Dale Wortham, Carolyn Truesdell, Atul Varadhachary, M.D., Ph.D.

*Joint Conference:* Atul Varadhachary, M.D., Ph.D., Chair; Mary Spinks, George Santos, M.D.

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

Items A1e, A1m, and A1s were withdrawn prior to the meeting.

Mr. Franklin asked for further clarification on items A1jj and A1kk and whether both were needed at this time, or whether they could be delayed for a year. Mr. Tindle addressed item A1kk (scheduling, time and attendance system). He stated that he sent some information to the Board regarding this product. This product provides payback within a year of operations and allows the organization to do a better job of scheduling to census and manage overtime. It allows for bid shifting for nursing when units are overstaffed and will eliminate the need for a lot of contract labor in the hospitals. He stated that the system should provide payback after being in operation for one year. Mr. Franklin stated that this is an estimate and not a guarantee. Discussion ensued. Mr. Lopez noted that much of the benefit is for the nursing division. Mr. Franklin stated that there is ongoing discussion regarding the budget shortfall. He is just asking Administration to look at this issue to see if it can be delayed. Discussion ensued. Mr. Lopez stated that they will do a presentation to the Board and provide more information.

He further stated that this can be deferred to a later date if the Board wishes to do that. Mr. Wortham stated that he would like to see a formal presentation on how this system works. A new system was put in not that long ago and it seems to be working. He questioned if the new system was really necessary at this time. Discussion ensued regarding the maintenance fees. Mr. Lopez stated that a full report would be provided answering all questions before proceeding with a new system. Item A1kk was withdrawn from the agenda. Mr. Tindle reviewed the components of A1jj. Discussion ensued.

Ms. Truesdell submitted changes to the language for item V.H..

### **Motion 11.1-03**

Moved by Mr. Finder, seconded by Dr. Santos, and unanimously passed, that the Board approve items V.A-V.I. (with exception of items A1e, A1m, A1s, and A1kk).

#### **A. Items related to Purchasing**

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

- a. approval for The University of Texas Health Science Center at Houston for Ryan White Modernization Act Part C Subcontractor Agreement in the amount of \$20,230 for the term January 1, 2011 through December 31, 2011.
- b. approve funding for the Harris County Hospital District, Harris County Public Health and Environmental Services (HCPHES), City of Houston – Houston Department of Health and Human Services (HDHHS), and Mental Health and Mental Retardation Authority of Harris County for the Texas Workforce Commission Information Release for the Quad Agency Eligibility Project in the amount of \$5,000.
- c. approve utilization for FleetCor Technologies Operating Company, LLC dba Fuelman for a fleet fuel monitoring and dispensing system in the estimated amount of \$260,000 for the term March 1, 2011 through February 29, 2012.
- d. award on the basis of low quote for John A. Walker Roofing Co., Inc. for roof replacement at Quentin Mease Community Hospital in the total amount of \$535,840 (\$487,127-construction price; \$48,713-owner contingency).
- e. WITHDRAWN.
- f. award on the basis of low quote for NWN Corporation for Cisco network and cabling equipment for Lyndon B. Johnson General Hospital in the amount of \$133,970.
- g. award on the basis of low quote for NWN Corporation to provide eight HP ProLiant blade servers, four standard servers plus additional processors, expanded memory and hard drives in the amount of \$212,836.

- h. award on the basis of low quote for SHI Government Solutions for SAP business objects software license and maintenance fees in the amount of \$150,083 for the term February 16, 2011 through February 15, 2012.
- i. award on the basis of low quote for Accudata Systems, Inc. for VMware Virtualization Software in the amount of \$153,387.
- j. award on the basis of only quote for Mark III Systems Incorporated for IBM hardware and software in the amount of \$1,285,269.
- k. approve funding for year three of a five-year agreement for International Business Machines Corporation (IBM) (DIR-SDD-953) to provide continued support and maintenance services for all IBM hardware in the estimated amount of \$523,661 for the term February 15, 2011 through February 14, 2012.
- l. approve the second of four renewal options for Johnson Controls, Inc. to provide maintenance and service of building automation HVAC systems in the estimated amount of \$240,932 for the term February 1, 2011 through January 31, 2012.
- m. WITHDRAWN.
- n. approve funding on the basis of product standardization for LaserBand LLC (PP-MM-093) to provide barcoded laser patient ID bands for patient registration areas in the estimated amount of \$156,227 for the term January 1, 2011 through December 31, 2011.
- o. award on the basis of lowest priced contract for 3M Company to provide woven and non-woven tape products and self-adherent elastic wraps for joint injuries or wound dressings in the estimated amount of \$122,645 for the term February 1, 2011 through January 31, 2012.
- p. award on the basis of lowest priced proposal for Shared Technologies Inc. for maintenance of telephone and voice communication systems in the estimated amount of \$655,345 for a one year initial term with four one-year renewal options.
- q. approve an assignment of an agreement for Cardon Healthcare Network, Inc. (assignor) and Cardon Healthcare Network, LLC (assignee) for certification of pending Medicaid cases and other related third party sources for the term February 8, 2011 through February 7, 2012.
- r. approve the third of four renewal options for Cardon Healthcare Network, LLC (Cardon) - \$3,000,000 and Resource Corporation of America (RCA) - \$3,000,000 for certification of pending Medicaid cases and other related third party sources in the estimated amount of \$6,000,000 for the terms of

February 8, 2011 through February 7, 2012 (Cardon) and February 22, 2011 through February 21, 2012 (RCA).

- s. WITHDRAWN.
- t. approve the second of three renewal options for DynaGene – A LabCorp Company for special reference laboratory testing services in the estimated amount of \$616,542 for the term February 1, 2011 through January 31, 2012.
- u. approve the second and final renewal option for Nationwide Laboratory Services to provide laboratory testing of specimens from dialysis patients, of samples from the dialysis water system and for hepatitis in employees in the estimated amount of \$129,418 for the term February 1, 2011 through January 31, 2012.
- v. approve the first of four renewal options for IKON Office Solution to provide high speed and color photocopiers in the estimated amount of \$285,715 for the term March 1, 2011 through February 29, 2012.
- w. approve the third of four renewal options for IKON Office Solutions to provide photocopier services for low speed photocopiers in the estimated amount of \$440,000 for the term March 1, 2011 through February 29, 2012.
- x. approve the third of four renewal options for Becton Dickinson and Company to provide GC/Chlamydia testing in the estimated amount of \$399,500 for the term February 4, 2011 through February 3, 2012.
- y. approve additional funds as an exception to the Hospital District Purchasing Manual requirements for The American National Red Cross for blood products and components in the additional amount of \$166,512 for the term March 1, 2010 through February 28, 2011 (Board previously approved funds in the amount of \$1,215,080 for the same term).
- z. approve renewal as an exception to the Hospital District Purchasing Manual bid requirements for The American National Red Cross for blood products and components in the estimated amount of \$1,492,118 for the term March 1, 2011 through February 28, 2012.
- aa. approve the final renewal option for Aetna Life Insurance Company for long term disability coverage in the estimated amount of \$1,250,280 for the term March 1, 2011 through February 29, 2012.
- bb. approve the first of four renewal options for Press Ganey Associates, Inc. for patient satisfaction and HCAHPS surveys, employee surveys and physician surveys in the estimated amount of \$590,677 for the term March 1, 2011 through February 28, 2012.

- cc. approve the third of four renewal options for MC AnalyTXs, Inc. to analyze claims payments of contracted payors to verify the Hospital District was paid correctly in the estimated amount of \$150,000 for the term February 18, 2010 through February 17, 2011.
- dd. approve the third and final renewal option for American Medical Equipment Company for home medical equipment in the estimated amount of \$475,000 for the term February 1, 2010 through January 31, 2011.
- ee. award on the basis of sole source for Steris Corporation (PP-OR-595) to provide seven equipment management systems (booms), seven anesthesia straight drop (booms) and seven video integration systems as part of the Lyndon B. Johnson General Hospital OR expansion in the amount of \$343,736.
- ff. award on the basis of sole source for Steris Corporation (PP-OR-595) to provide fourteen spindle monitor extension arm kits with single flat panel support arm and yoke as part of the Lyndon B. Johnson General Hospital OR expansion which requires flat panel arms and flat panel monitors to be added to existing lights in the amount of \$215,306.
- gg. award on the basis of product standardization for Steris Corporation (PP-OR-595) to provide eighteen warming cabinets that are dual chamber, dual temperature control units for Ben Taub General Hospital in the amount of \$103,086.
- hh. approve the fourth and final renewal option for USA Mobility Wireless, Inc. (formerly Metrocall, Inc., D/B/A USA Mobility, Inc. (“Arch Wireless”)) to provide for leasing of wireless pagers, messaging services and related items in the estimated amount of \$205,000 (Hospital District only) for the term February 1, 2011 through January 31, 2012.
- ii. approve renewal on the basis of sole source for Oracle USA, Inc. for PeopleSoft Software License and support in the estimated amount of \$519,059 for the term February 28, 2011 through February 27, 2012.
- jj. approve additional funds for Epic Systems Corporation (Epic) for Epic Software implementation in the estimated additional amount of \$4,706,516 (Board previously approved funds in the amount of \$3,078,700).
- kk. WITHDRAWN.
- ll. award on the basis of best proposal meeting requirements for Coventry Health Care Workers Compensation, Inc. (Option B) for Family Medical Leave Act, Short-Term Disability and Medical Case Management Program and Services in the estimated amount of \$326,664 for a one year initial term with four one-year renewal options.

- mm. award on the basis of best contract for Ethicon, Inc. for suture products in the estimated amount of \$706,335 for the term February 1, 2011 through January 31, 2012.
- nn. award on the basis of single source contract for Stryker Endoscopy (PP-OR-506) to provide additional endoscopy and video equipment for two renovated operating rooms for the Lyndon B. Johnson General Hospital in the amount of \$145,679.
- oo. award on the basis of best contract for GE Medical Systems Information Technology, Inc. to provide eleven additional electrocardiograph (ECG) systems in the amount of \$123,702.
- pp. award on the basis of best contract for GE Medical Systems (GE) to provide a dedicated Fluoro Table for Ben Taub General Hospital Gastroenterology (GI) Laboratory expansion in the amount of \$286,522.
- qq. approve funding for the fourth and final year of the agreement for CareFusion Solutions, Inc. formerly Cardinal Health 301, LLC (PP-CE-383) for lease and maintenance of supply distribution cabinets/medication and supply in the amount of \$549,056 for the term April 1, 2011 through March 31, 2012.
- rr. award on the basis of low quote for Creative Office Furniture for office furniture for Patient Financial Services at Holly Hall in the amount of \$221,403.
- ss. ratify award on the basis of best proposal meeting requirements for OEC Medical Systems, Inc. (Option 2) for a mobile c-arm system for vascular studies in the estimated amount of \$252,464.
- tt. ratify purchase on the basis of lowest priced contract per line item for Grainger (Items 1&2) - \$22,974 and Tennant Sales & Service Company (Items 3-9 & 13-14) - \$111,140 for janitorial equipment for housekeeping services in the total multi-vendor amount of \$134,114.
- uu. ratify the fourth and final renewal option for The University of Texas M.D. Anderson Cancer Center for radiation therapy and related services in the estimated amount of \$1,200,000 for the term November 1, 2010 through October 31, 2011.
- vv. ratify extension and additional funds for Network Cabling Services formerly Devolve Corp. and NetVersant-Texas, Inc. for Systimax VAR Program for telephone and data cable labor, parts, materials and related equipment in the additional amount of \$220,000 for the extended term January 1, 2011 through February 28, 2011 (Board previously approved funds in the amount of \$400,000 for the term January 1, 2010 through December 31, 2010).

- ww. ratify termination of agreement for Pharmacy Healthcare Solutions, Ltd. for the indigent patient drug reimbursement program (product recovery services) in the estimated amount of \$775,000 for the term December 1, 2009 through November 30, 2010.
- xx. ratify agreement for Texas Medical Center for parking at 1522 Braeswood for employees and medical staff in the estimated amount of \$885,600 for the term January 1, 2011 through December 31, 2011.
- yy. ratify funding on the basis of product standardization for Medline Industries Inc. (PP-NS-547) for mobility aids in the estimated amount of \$153,043 for the term December 22, 2010 through December 21, 2011.
- zz. ratify the first of four renewal options for LifeCell Corporation for porcine hernia grafts in the estimated amount of \$409,575 for the term December 3, 2010 through December 2, 2011.
- aaa. ratify additional funds for St. Luke's Episcopal Hospital (St. Luke's) for hospital services in the estimated additional amount of \$90,000 for the term August 15, 2010 through August 14, 2011 (Board previously approved funds in the amount of \$75,000 for the same term).
- bbb. ratify the first of four renewal options for Cardinal Health 200, LLC to provide prime distribution services for medical, surgical and laboratory supplies in the estimated amount of \$1,474,000 for the term September 1, 2010 through August 31, 2011.
- ccc. approve the second and final renewal option for Sodexo Inc. to provide continued food and nutrition services for the term March 7, 2011 through March 6, 2014 subject to fiscal funding each year. The estimated amount for the period March 7, 2011 through March 6, 2012 is \$4,494,448.
- ddd. Award on the basis of sole source for The SSI Group, Inc. for an electronic claims processing system in the estimated amount of \$126,821 upon execution of the agreement through December 31, 2011 with continuous one-year renewal options.

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

- a. transmittal of award on the basis of best proposal meeting requirements for Secova, Inc. for a dependent eligibility audit in the estimated amount of \$67,550 for a one-year initial term.
- b. transmittal of purchase on the basis of lowest priced contract for Medtronics USA, Inc. for external defibrillators in the amount of \$79,480.
- c. transmittal of renewal on the basis of sole source for OraSure Technologies, Inc. to provide rapid HIV testing for Thomas Street Health Center in the



estimated amount of \$57,000 for the term January 1, 2011 through December 31, 2011.

- d. transmittal of award on the basis of only proposal received for Sterling Readiness Rounds LLC for a tracer template program related to Joint Commission standards in the estimated amount of \$94,410 for a one-year initial term with four one-year renewal options.
- e. transmittal of the third of four one-year renewal options for C + R Awards Incentive, Inc. for service awards in the estimated amount of \$12,288 for the term March 1, 2011 through February 29, 2012.
- f. transmittal of the third of four renewal options for Houston Auto Auction, Inc. for auctioning services and related items in the estimated amount of \$25,000 for the term March 1, 2011 through February 29, 2012.
- g. transmittal of the third of four one-year renewal options for Water and Power Technologies, Inc. for deionized water service in the estimated amount of \$55,000 for the term January 1, 2011 through December 31, 2011.
- h. transmittal of the first of four one-year renewal options for Brink's US, a Division of Brink's Incorporated for armored car services in the estimated amount of \$71,516 for the term April 1, 2011 through March 31, 2012.
- i. transmittal of the second of four one-year renewal options for A-1 Delivery Services for courier services in the estimated amount of \$50,000 for the term March 1, 2011 through February 29, 2012.
- j. transmittal of exemption from the competitive bid requirements for MFR, P.C. for compliance auditing and monitoring services related to Medicare and Medicaid billing regulations in the estimated amount of \$75,000 for the term January 1, 2011 through December 31, 2011.
- k. transmittal of exemption from the competitive bid requirements for Mark III Systems, Inc. for disaster recovery center consulting services in the estimated amount of \$56,700.
- l. transmittal of purchase on the basis of low quote for Texas Electronic Information and Computer Corporation for Hewlett-Packard (HP) computer hardware in the amount of \$89,882.
- m. transmittal of purchase on the basis of low quote for NWN Corporation for Cisco equipment spare and replacement parts in the amount of \$59,835.
- n. transmittal of award on the basis of only bid received for Cardinal Health 200, Inc. for barium products in the estimated amount of \$88,960 for the term September 1, 2010 through August 31, 2011 with four one-year renewal options.

- o. transmittal of funding on the basis of product standardization for DJO LLC (PP-NS-561) for cervical collars (components of orthopedic soft goods) in the estimated amount of \$92,667 for the term December 1, 2010 through November 30, 2011.
  - p. transmittal of exemption from competitive bid requirements for Stalinsky Design for graphic design services in the estimated amount of \$75,000 for a one-year initial term with four one-year renewal options.
  - q. transmittal of award on the basis of lowest priced proposal meeting requirements for Washington Inventory Service dba WIS International for physical inventory services for pharmacy drugs and devices in the estimated amount of \$70,000 for a one-year initial term with four one-year renewal options.
  - r. transmittal of purchase on the basis of best contract for 3M Company through Cardinal Health for transparent dressings in the estimated amount of \$57,536 for the term February 1, 2011 through January 31, 2012.
  - s. transmittal of purchase on the basis of best contract for Datascope Corp. Cardiac Assist Division (Datascope) for intra-aortic balloon catheters and pumps in the estimated amount of \$54,471 for the term January 1, 2011 through October 31, 2011 (10-months).
  - t. transmittal of purchase for Gartner Inc. (DIR-SDD-1273) for IT and business strategy research resource services in the amount of \$77,829 for the term February 1, 2011 through January 31, 2012.
- B. Approval to enter into the 3<sup>rd</sup> annual renewal of two (2) professional service agreements with EFI Global, Inc. to provide asbestos consulting & bidding/reporting/monitoring services plus environmental & indoor air quality services for FY 2012 construction projects at designated facilities throughout the Hospital District in the estimated amount of \$100,000 per agreement.
- C. Approval to enter into a new Inter-Local Agreement with Harris County to provide wage rate compliance services including insurance and bond verification services for the Hospital District's capital improvement construction projects at a fixed fee of \$64,678 for the term March 1, 2011 through February 29, 2012.
- D. Approval to enter into the 2<sup>nd</sup> annual renewal of the professional services agreement with Inventure Design to provide interior design services for various FY 2012 projects at facilities throughout the Hospital District for an estimated not-to-exceed amount of \$100,000.
- E. Approval to enter into the 2<sup>nd</sup> annual renewal of the professional services agreement with Morris Architects to provide architectural/engineering and

interior design services for various FY 2012 projects at facilities throughout the Hospital District for an estimated not-to-exceed amount of \$200,000.

- F. Approval to enter into the 3<sup>rd</sup> annual renewal of the Professional Services Agreement with MEDesign Architectural Group, Inc. to provide architectural and engineering services for various FY 2012 projects at facilities throughout the Hospital District for an estimated not-to-exceed amount of \$100,000.
- G. Ratification of an agreement between the Harris County Hospital District and Baylor College of Medicine to provide services of a registered nurse to assist in a research study for the term July 1, 2010 through June 30, 2011 and acceptance of funding in the amount of \$3,738.00.
- H. Approval to amend the lease agreement with Pasadena Realty Partners, LLC to correct the terms for lease space located at 3925 Fairmont Parkway, Pasadena, Texas 77504 to use as a medical clinic. The correct initial 15-month rate should be \$386,667.05/yr. (includes a one-time deposit of \$24,167). The remaining terms of the lease beginning March 1, 2012 to February 28, 2021 will include an escalation rate of 1.5% of the previous annual monthly base rent and will be renewed annually by the Board of Managers.
- I. Approval of a water source easement to the City of Houston for water service for LBJ General Hospital related to the EC Expansion Project and to forward, to the Commissioners' Court, the granting order form for signature.

## **VI. Reports of the Committees**

### **A. Joint Conference Committee**

Dr. Matthew Wall presented the credentialing changes for members of the HCHD medical staff for December 2010 and January 2011. Discussion ensued regarding the report. Dr. Stephanie Ka-Wing Leung, M.D. (BCM) was pulled from the report so further information could be collected. A copy of the report is available in the permanent record.

#### **1. Motion 11.1-04**

Moved by Ms. Truesdell, seconded by Dr. Varadhachary, and unanimously passed, that the Board approve the December 2010 and January 2011 credentialing changes for members of the HCHD Medical Staff.

Dr. Matthew Wall presented the Medical Board Report. A copy of the report is available in the permanent record.

#### **2. Motion 11.1-05**

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

Dr. Matthew Wall presented the amendment to the Medical Staff Rules and Regulations, Medical Records: Content of History and Physical. A copy is available in the permanent record.

**3. Motion 11.1-06**

Moved by Mr. Finder, seconded by Dr. Varadhachary, and unanimously passed, that the Board approve the amendment to the Medical Staff Rules and Regulations, Medical Records: Content of History and Physical.

Dr. Matthew Wall presented Policy 7.24 Specimens for Gross Probable Examination Only. A copy of the policy is available in the permanent record.

**4. Motion 11.1-07**

Moved by Ms. Spinks, seconded by Dr. Varadhachary, and unanimously passed, that the Board approve Policy 7.24 Specimens for Gross Probable Examination Only.

Dr. Matthew Wall presented Policy 7.25 Exemption of Specimens for Submission to Surgical Pathology for Laboratory Examination. A copy of the policy is available in the permanent record.

**5. Motion 11.1-08**

Moved by Ms. Spinks, seconded by Ms. Truesdell, and unanimously passed, that the Board approve Policy 7.25 Exemption of Specimens for Submission to Surgical Pathology for Laboratory Examination.

Dr. Wall presented the replacement of otolaryngology clinical privileges forms for the Harris County Hospital District. A copy is available in the permanent record.

**6. Motion 11.1-09**

Moved by Dr. Varadhachary, seconded by Ms. Spinks, and unanimously passed, that the Board approve the replacement of Otolaryngology Clinical Privileges Forms for the Harris County Hospital District.

**Motion 11.1-10**

Moved by Mr. Wortham, seconded by Mr. Franklin, and unanimously passed, that the Board approve agenda items VI.A.7-VI.A.9.

7. Approval of the replacement of Orthopedic Surgery Clinical Privileges Forms for the Harris County Hospital District. .
8. Approval of the replacement of Dermatology Clinical Privileges Forms for the Harris County Hospital District.
9. Approval of the replacement of Anesthesiology Clinical Privileges Forms for the Harris County Hospital District.

The Legislative Committee report (Item VI.D.) was addressed out of order.

## **B. Budget and Finance Committee**

The November 2010 Financial Report was addressed under agenda item VI.B.2.

### **1. Acceptance of the November 2010 Financial Report subject to audit.**

Mr. Norby presented the November 2010 and December 2010 Financial Reports. He stated that the operating loss for December was \$11.1 million against a budgeted loss of \$3.1 million. Year-to-date the operating loss is \$13,356,000 versus a budgeted surplus of \$4,594,000. This results from a reduction in tobacco settlement and red light funds, a decrease from budget in net patient service revenue and a delay in receipt of the GME settlement. Copies of both reports are available in the permanent record.

### **2. Motion 11.1-12**

Moved by Dr. Varadhachary, seconded by Ms. Spinks, and unanimously passed, that the Board accept the November 2010 and December 2010 Financial Reports subject to audit.

The November 2010 Pension Plan Report was addressed under agenda item VI.B.4.

Mr. Norby presented the November 2010 and December 2010 Pension Plan Reports. Copies of the reports are available in the permanent record.

### **4. Motion 11.1-13**

Moved by Mr. Wortham, seconded by Mr. Franklin, and unanimously passed, that the Board accept the November 2010 and December 2010 Pension Plan Reports subject to audit.

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

### **5. Motion 11.1-14**

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

### **6. Update and Possible Action regarding the FY 2012 Operating and Capital Budget**

Mr. Norby presented the FY 2012 Operating and Capital Budget. He presented the full draft of what was discussed at the committee meetings along with two additional pages. The District was showing a \$10 million loss on the initial draft and was charged with identifying where those funds would be found. Meetings were held to identify opportunities and the two additional pages list those opportunities.

Mr. Norby addressed salaries and wages, stating that there will be a soft hiring freeze and reduction of 138 FTEs. Mr. Lopez stated that the District currently runs approximately 300 vacancies per month so these are positions that are not currently

filled. Mr. Norby stated that they will also review areas for right sizing. Mr. Lopez noted that the bulk of expense reduction in terms of people hours will come from process redesign. However, this might have to be revisited in May or June based on what happens in Austin. Board Members requested that the Board be provided a report showing how the District would plan for 2013 and 2014 given the worst case scenarios at the state level. This may call for the District to reexamine capital plans. Discussion ensued.

Mr. Norby referred back to the report, stating that monthly amounts for cell phone and car allowances are being decreased. Dr. Varadhachary asked what was being provided in terms of cell phone and car allowances. Mr. Masi stated that his office is checking the validity of all operations. Discussion ensued. Mr. Lopez reiterated that the budget might have to be revisited in June based on what happens at the state level.

Mr. DonCarlos stated that some progress has to be made with the District's public perception, especially with the emergency centers. Dr. Brown stated that LBJ was designed to see 35,000 patients per year and they are currently seeing 73,000 patients per year. There is a capacity issue that is being addressed. Discussion ensued regarding emergency visits.

Mr. Franklin referred back to the FY 2012 Operating and Capital Budget. He requested that Administration provide a detailed itemized list of those items that will be adjusted if the budget has to come back to the Board later in the year. He stated that he was particularly concerned about benefits for retirees and current employees who will be retiring. He asked that whatever adjustments are made by the District, that benefits are still affordable for these individuals.

#### **Motion 11.1-15**

Moved by Ms. Spinks, seconded by Dr. Varadhachary, and unanimously passed, that the Board approve the proposed FY 2012 Operating and Capital Budget.

#### **7. Presentation of the November 2010 Financial Statements of Community Health Choice, Inc.**

The November 2010 Financial Statements of Community Health Choice, Inc. were addressed under agenda item VI.B.8.

#### **8. Presentation of the December 2010 Financial Statements of Community Health Choice, Inc.**

Mr. Ken Janda presented the November 2010 and December 2010 CHC Financial Reports. The year ended with approximately 177,000 in member months. Premiums are still behind budget due to fewer pregnant women and newborns. Copies of the reports are available in the permanent record.

## **C. Planning and Operations Committee**

### **Motion 11.1-16**

Moved by Ms. Truesdell, seconded by Dr. Varadhachary, and unanimously passed, that the Board approve accepting the release of easement rights, from AT&T, for LBJ General Hospital related to the West Land and Plat.

## **D. Legislative Committee**

1. Update, discussion and possible action regarding activities in Austin relating to regulatory issues impacting HCHD, the 82<sup>nd</sup> Legislative Session and the HCHD legislative platform
2. Update, discussion and possible action regarding pending federal legislative, line items and policy issues affecting HCHD

Mr. Hillier presented and reviewed the Legislative Platform with the Board. The legislative platform was provided to the Board. He also presented a handout showing funding losses, funding at risk, and other losses. Discussion ensued. Mr. Lopez noted that this would be a worst case scenario. A copy of both reports are available in the permanent record.

### **Motion 11.1-11**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the Legislative Platform.

## **VII. Miscellaneous Agenda Items**

Agenda Item VII.A. was pulled from the agenda.

A. Approval of Naming the Ambulatory Tower at Holly Hall.

### **B. Motion 11.1-17**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board approve the Harris County Hospital District Patient Visitor Policy #4605 to be effective January 27, 2011.

C. Approval of the Harris County Hospital District Department of Public Safety employee parking rate changes effective immediately.

Mr. Burdett stated that a study was done on the new Holly Hall Garage. During the study, there was a never time that more than two cars were in line. It has been determined that there are no delays in exiting the garage. Complaints received might have been due to the learning curve in the implementation period of the garage. Discussion ensued.

**Motion 11.1-18**

Moved by Mr. Franklin, seconded by Mr. Wortham, Mr. Wortham, and unanimously passed, that the Board approve the Harris County Hospital District Department of Public Safety employee parking rate changes effective immediately.

**D. Motion 11.1-19**

Moved by Ms. Spinks, seconded by Dr. Santos, and unanimously passed, that the Board approve the resolution committing the Harris County Hospital District Board of Managers and Administration support of Level III Trauma Services at Lyndon B. Johnson General Hospital.

**VIII. President/Chief Executive Officer's Report to Include: 1) Employee Satisfaction Report; 2) Channelview School Based Clinic; and 3) Report on Holly Hall Garage**

**Employee Satisfaction Report**

Ms. Gould introduced Ms. Lisa Dual from Press Ganey. Ms. Dual presented the 2010 Employee Partnership Survey Results. Session topics include overview of partnership philosophy, project review and survey instrument, system results summary, and recommendations and next steps. She reviewed employee satisfaction and employee engagement. An overview of the rating for the questions was reviewed. The Hospital District had a response rate of 53% (response rates by pavilion were included in the report), which is a dramatic improvement from past surveys. Discussion ensued. Priorities for improvement were addressed and discussed. Next steps were reviewed and discussed. A copy of the report is available in the permanent record.

**Channelview School Based Clinic**

Mr. Lopez stated that the school based clinic in Channelview is the busiest school based clinic in the District. The District has been told that this particular building is going to be torn down. Meetings have been held with the ISD Board and there are no plans for them to accommodate the clinic at this point. The District has a 9-month contract through the end of August, but there are no guarantees after that. There is a school nearby outside of Channelview, but the District is waiting to see what Channelview is going to do. Dr. Trenchel stated that the clinic itself is small but sees approximately 250 patients per month. The immunizations for this clinic are also high and the mobile unit is often sent out there. Mr. DonCarlos suggested that Commissioner Mormon be notified of this. Mr. Franklin asked what the rationale was for Channelview not providing space in the new building. Dr. Trenchel stated that their Board brought up the issues that the District has presented the contracts late, but it is not felt that this is a substantial reason. They also want adults seen at the school based clinic. The District has responded that they can try to accommodate this with the right staff, but it would require movement of practitioners. The ISD Board also has asked for data on the number of Channelview students seen at the clinic since services are provided to the community, not only Channelview students, and data on walk-in immunizations, which



are provided on a daily basis. Administration has asked to meet with the Principal of the school to address all concerns and issues. Ms. Truesdell stated that they might want a different type of clinic and not a school based clinic. Mr. Wortham stated that it might be an opportunity for us to find a new partner in the area. Mr. Lopez stated that there are schools that want to work with us. Mr. Finder recommended sending the school a certified letter and giving them a deadline for a decision. Discussion ensued.

### **Report on Holly Hall Garage**

The report on the Holly Hall Garage was addressed under agenda item VII.C.

## **IX. Executive Session**

At 11:56 a.m., Mr. DonCarlos stated that the Board would go into Executive Session under Section 161.032 of the Texas Health & Safety Code and Section 160.007 of the Tex. Occupations Code and Chapter 551 of the Texas Government Code Section 071. Mr. DonCarlos stated that the regular meeting of the Board would reconvene at the close of Executive Session.

Dr. Santos, Ms. Spinks, and Mr. Franklin left prior to reconvening from Executive Session.

## **X. Reconvene**

At 1:09 p.m., Mr. DonCarlos reconvened the meeting and stated that no action was taken in Executive Session.

- A. Report by the Chief Medical Officer regarding Quality of Medical and Health Care, pursuant to Tex. Health & Safety Code Ann. §161.032 and Tex. Occupations Code Ann. §160.007 to Receive Peer Review and/or Medical Committee Report in Connection with the Evaluation of the Quality of Medical and Health Care Services.

No action taken.

- B. 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.

- C. Consultation with the County Attorney regarding settlement of an automobile accident between a District driver Mark Waalkens and Amber Nevels, pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action regarding this Matter upon Return to Open Session.

### **Motion 11.1-20**

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 of an automobile accident between District driver Mark Waalkens and Amber Nevels in an amount not to exceed \$940.97 payable to Amber Nevels (claimant), and Torque Monsterz (auto repair company). David S. Lopez, President/CEO is authorized to execute any agreement, release or other necessary documents to effect this settlement.

D. Consultation with the County Attorney regarding Epic Systems Corporation Amendment for Care Everywhere License pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action regarding this Matter upon Return to Open Session.

No action taken.

## **XI. Adjournment**

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

There being no further business, the meeting adjourned at 1:10 p.m.

I certify that the foregoing are the Minutes of the Meeting of the Board of Managers of the Harris County Hospital District held at the Administration Building in Houston, Texas on January 27, 2011.

Mr. Stephen DonCarlos, Chair  
Board of Managers

Mr. E. Dale Wortham, Secretary

Recorded by Christie Reno