



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

Thursday, October 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
Mr. Elvin Franklin, Jr.
Ms. Mary Spinks
Ms. Daisy Stiner
Mr. Lawrence Finder

BOARD MEMBERS ABSENT

Dr. Atul Varadhachary

OTHERS PRESENT

Mr. George Masi, Chief Operating Officer
Mr. Kelly Johnson, Harris County Purchasing Agent
Mercedes Leal, County Attorney's Office
Dr. Tien Ko, Vice Chairman, Medical Executive Board
Ms. Nikki Caffey, Commissioner Jack Morman's Office
Ms. Peggy Boice, Judge Ed Emmett's Office
Mr. Mark Fury, Commissioner Steve Radack's Office
Ms. Elizabeth Neal, Commissioner Jack Cagle's Office
Mr. Lester Byrd, Commissioner El Franco Lee'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 9:04 a.m. and noted that a quorum was present. The attendance was recorded. Mr. DonCarlos noted that Mr. David Lopez, CEO/President, was not present at the meeting as he was at meetings in Austin regarding the 1115 Waiver.

II. Approval of Minutes of Previous Meetings

Motion 11.10-129

Moved by Ms. Spinks, seconded by Mr. Franklin, and unanimously passed, that the Board approve the minutes of the September 29, 2011 Board of Managers Meeting.

III. Oath of Office

Precinct 1 County Commissioner El Franco Lee gave the oath of office to Ms. Daisy Stiner. He thanked Board members for their service.

IV. Special Presentation

There was no special presentation.

V. Hear from Citizens

Ms. Glenda Caldwell addressed the Board regarding palm scanner and HIPPA violations. Mr. DonCarlos asked that Mr. Masi arrange for the appropriate District personnel to meet with Ms. Caldwell.

Mr. Robert Simonsen addressed the Board regarding his care at the Harris County Hospital District.

Ms. Carolyn Black addressed the Board regarding her medications at the Gulfgate Health Center Pharmacy.

Mr. Marty McVey, Spring Branch Medical Center, addressed the Board regarding increasing the scope of service for a pending contract between the Hospital District and Spring Branch Medical Center.

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

Motion 11.10-130

Moved by Mr. Wortham, seconded by Ms. Stiner, and unanimously passed, that the Board approve items V.A1a through V.A1x.

A. Items related to Purchasing

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

- a. award on the basis of best proposal meeting requirements for Meridian Knowledge Solutions LLC for corporate learning software system in the estimated amount of \$246,325-year 1 (\$335,625, five-year period) for a one-year initial term with four one-year renewal options.

- b. ratify additional funds and an extension for Lepow Podiatric Medical Associates, LLP for outsourcing of podiatry services in the additional amount of \$49,008 for the extended term of September 1, 2011 through September 30, 2011 (Board previously approved funds in the amount of \$784,124 for the term May 1, 2010 through August 31, 2011).
- c. approve the second of four renewal options for eScan Data Systems, Inc. for certification of pending Medicaid cases and other related third party sources in the estimated amount of \$713,000 for the term November 16, 2011 through November 15, 2012.
- d. approval for Texas Southern University for the Drug Information Center in the amount of \$15,000 for a one-year initial term with three one-year renewal options.
- e. approve renewal on the basis of sole source for Thomson Reuters for Micromedex database license software subscription in the estimated amount of \$144,587 for the term December 31, 2011 through December 30, 2012.
- f. approve funding for the third year of an Agreement for CA, Inc. for maintenance and support for Service Desk Manager, Spectrum and e-Health Monitoring Software in the estimated amount of \$186,825 for the term December 29, 2011 through December 28, 2012.
- g. approve purchase on the basis of lowest priced contract for WorkflowOne for document management in the estimated amount of \$295,568 for a one-year initial term with four one-year renewal options.
- h. ratify additional funds for Siemens Healthcare Diagnostics Inc. (PP-LA-257 fka PP-LA-197) for immunochemistry analyzers in the additional amount of \$251,623 (Board previously approved funds in the amount of \$1,599,848 for the term July 1, 2010 through June 30, 2011).
- i. approve purchase on the basis of lowest priced contract for GE Medical Systems Ultrasound for ultrasound system for Ben Taub General Hospital in the amount of \$188,823.
- j. approve corrected term for TH Healthcare, Ltd. dba Park Plaza Hospital for ultrasound services for Hospital District patients to September 1, 2011 through June 30, 2012 (Board approved term as September 1, 2011 through August 31, 2012).

- k. approve purchase on the basis of best contract for Philips Healthcare for ultrasound system for Lyndon B. Johnson General Hospital in the amount of \$172,675.
- l. award on the basis of only proposal received for Park Plaza Hospital for radiation therapy services in the estimated amount of \$2,000,000 for a one-year initial term with four one-year renewal options.
- m. award on the basis of best proposals meeting requirements for Stericycle, Inc. and WM Healthcare Solutions (Option B) to provide disposal programs and services for medical waste, pharmaceutical waste and sharps container contents in the estimated multi-vendor amount of \$817,296 (\$111,192-WM Healthcare Solutions, Inc.; \$706,104-Stericycle, Inc.) for a one-year initial term with four one-year renewal options.
- n. award on the basis of sole source for Oracle USA, Inc. to upgrade the Peoplesoft Enterprise HCM application software from version 8.8 to 9.1 in the amount of \$132,500.
- o. rescind the award for Bio-Rad Laboratories (Option A-revised) for hemoglobin A1c analyzers, reagents, consumables and service.
- p. approve additional funds and an extension for Bio-Rad Laboratories, Inc. for two whole blood analyzers, reagents, consumables for hemoglobin A1c and variant hemoglobin tests in the estimated additional amount of \$48,000 for the term October 1, 2011 through March 31, 2012 (Board previously approved funds in the amount of \$190,000 for the term October 1, 2009 through September 30, 2011).
- q. ratify additional funds for Siemens Healthcare Diagnostics Inc. (PP-LA-257 fka PP-LA-199) for chemistry analyzers in the amount of \$280,758 (Board previously approved funds in the amount of \$1,605,226 for the term July 1, 2010 through June 30, 2011).
- r. approve additional funds and an extension for The University of Texas Health Science Center at Houston for anatomical pathology reference testing services for Lyndon B. Johnson General Hospital in the estimated additional amount of \$50,000 for the term November 1, 2011 through April 30, 2012 (Board previously approved funds in the amount of \$126,321 for the term November 1, 2010 through October 31, 2011).
- s. approve additional funds and an extension for Baylor College of Medicine for anatomical pathology reference testing services for

Ben Taub General Hospital in the estimated additional amount of \$82,393 for the extended term November 1, 2011 through April 30, 2012 (Board previously approved funds in the amount of \$164,786 for the term November 1, 2010 through October 31, 2011).

- t. approve purchase on the basis of single source contract for Johnson & Johnson Healthcare Systems, Inc. through Ortho Clinical Diagnostics for blood bank analyzers and reagents in the estimated amount of \$730,066 for the term November 1, 2011 through October 31, 2012.
- u. ratify funding on the basis of product standardization for Smiths Medical, ASD, Inc. (PP-OR-562) (\$50,246) and Arizant Healthcare Inc. (PP-OR-560) (\$240,948) for patient warming products in the estimated multi-vendor amount of \$291,194 for the term August 1, 2011 through July 31, 2012.
- v. approve purchase on the basis of low quote for Farber Specialty Vehicles for custom-built mobile dental unit in the total amount of \$491,343 (\$393,074-estimated price; \$98,269-owner contingency).
- w. approve purchase on the basis of low quote for General DataTech, L.P. for Cisco network switches, wireless hardware and communications equipment in the amount of \$1,344,805.
- x. approve additional funds and an extension for Gulf Coast Lithotripsy, LP for lithotripsy services in the additional amount of \$105,000 for the extended term November 1, 2011 through January 31, 2012 (Board previously approved funds in the amount of \$388,800 for the term May 1, 2010 through October 31, 2011).

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

- a. transmittal of renewal for Verge Solutions, LLC for annual license fees for medical records audit and JCAHO software accreditation system in the estimated amount of \$58,943 for the term September 1, 2011 through August 31, 2012.
- b. transmittal of the first renewal option for Morris & Dickson CO, LLC for indigent patient drug reimbursement program (product recovery services) in the estimated amount of \$54,000 for the term November 1, 2011 through October 31, 2012.
- c. transmittal of additional funds for C.F. McDonald, Inc. for emergency power upgrade at Lyndon B. Johnson General Hospital in the additional amount of \$56,894 (Board previously approved funds in the amount of \$1,993,669).

- d. transmittal of additional funds for Amtech Elevator Services for periodic maintenance and service of elevators/lift equipment in the estimated additional amount of \$64,701 for the term August 1, 2011 through July 31, 2012 (Board previously approved funds in the amount of \$404,580 for the term August 1, 2011 through July 31, 2012).
- e. transmittal of the second of four one-year renewal options for IDN Acme for locksmith supplies and related items in the estimated amount of \$48,335 for the term November 1, 2011 through October 31, 2012.
- f. transmittal of the third of four one-year renewal options for Eagle Electronic Resources for disposal of salvage electronic equipment and related items in the estimated amount of \$10,000 for the term November 1, 2011 through October 31, 2012.
- g. transmittal of purchase on the basis of sole source for FujiFilm Medical Systems USA, Inc. for supplemental synapse software licenses in the estimated amount of \$86,400.
- h. transmittal of exemption from the competitive bid requirements for Fugro Consultants, Inc. for professional engineering services for construction material testing and inspecting services in the estimated amount of \$73,372.
- i. transmittal of purchase on the basis of lowest priced contract for Posey Company for restraints and fall prevention products in the estimated amount of \$62,875 for the term August 1, 2011 through July 31, 2012.

Motion 11.10-131

Moved by Mr. Franklin, seconded by Mr. Wortham, and passed, that the Board approve agenda items V.B. – V.J. Mr. Franklin pulled agenda item V. G. and asked for the motion to be amended to include no deductibles and no increase in premiums for retirees.

- B. Approval of Payment to the American Hospital Association for 2011 Membership Dues in the amount of \$119,967.
- C. Approval of Continuation of an Agreement between the Harris County Hospital District and Cenikor Foundation, Inc. to provide Substance Abuse Treatment Services to Homeless Individuals of the Health Care for the Homeless Program in an amount not-to-exceed \$55,000 for the term November 1, 2011 through October 31, 2012, contingent upon receipt of the annual HRSA grant award to the Harris County Hospital District Health Care for the Homeless Program.

- D. Approval of Continuation of an Agreement between the Harris County Hospital District and Baylor College of Medicine Department of Family and Community Medicine to provide Medical Services to Homeless Individuals of the Healthcare for the Homeless Program in an amount not-to-exceed \$190,500 for the term November 1, 2011 through October 31, 2012, contingent upon receipt of the annual HRSA grant award to the Harris County Hospital District Health Care for the Homeless Program.
- E. Approval of an Amendment between the Harris County Hospital District and Harris County funded under the Ryan White HIV/AIDS Treatment Extension Act of 2009 Part A to provide Primary Medical Care and Medical Case Management Services to Eligible HIV-Infected Patients at District Facilities. The amendment increases funding by \$3,080,308 for a total agreement amount of \$6,338,989. The term of the agreement is March 1, 2011 through February 29, 2012.
- F. Approval for the Hospital District to enter into the 4th term of the lease agreement with Warehouse Associates Corporate Centre Kirby III, Ltd., for the leasing of approximately 117,774 square feet of space. The 4th term of the lease agreement is from December 1, 2011 to November 30, 2012 at a monthly rate of \$180,194.22 (\$2,162,330.64/year).
- G. Approval of the Harris County Hospital District FY13 Monthly Healthcare Premium Rates.

Motion 11.10-132

Moved by Mr. Franklin, seconded by Mr. Wortham, and unanimously passed, that the Board approve the Harris County Hospital District FY13 Monthly Healthcare Premium Rates as presented, with the change that the rates for the retirees remain the same as FY12 with no plan deductible. (Copy included in the permanent record.)

- H. Approval of the Amendment and Restatement of the Harris County Hospital District Dependent Care Assistance Plan effective November 1, 2011.
- I. Approval of the Amendments and Restatements of the Harris County Hospital District 401K Plan and the Harris County Hospital District Employees' Deferred Compensation Plan.
- J. Approval of the Harris County Hospital District EMTALA Signage Policy #3.51.

VII. Reports of the Committees

A. Joint Conference Committee

Dr. George Santos presented the credentialing changes for members of the HCHD medical staff for October 2011. A copy of the report is available in the permanent record.

1. Motion 11.10-133

Moved by Mr. Franklin, seconded by Ms. Stiner, and unanimously passed, that the Board approve the October 2011 credentialing changes for members of the HCHD Medical Staff.

Dr. George Santos presented the Medical Executive Board Report from the October Medical Executive Board meeting. A copy of the report is available in the permanent record.

2. Motion 11.10-134

Moved by Dr. Santos, seconded by Ms. Stiner, and unanimously passed, that the Board accept the Medical Executive Board Report as included in the packet

Dr. Santos presented the Employee Latex Allergy Policy 6.41. A copy of the policy is available in the permanent record.

3. Motion 11.10-135

Moved by Ms. Stiner, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the Employee Latex Allergy Policy 6.41.

B. Budget and Finance Committee

Mr. Norby presented the September 2011 Financial Report. A copy of the report is available in the permanent record.

1. Motion 11.10-136

Moved by Finder, seconded by Mr. Franklin, and unanimously passed, that the Board accept the September 2011 Financial Report subject to audit.

Mr. Norby presented the September 2011 Pension Plan Report. A copy of the report is available in the permanent record.

2. Motion 11.10-137

Moved by Ms. Stiner, seconded by Mr. Franklin, and unanimously passed, that the Board accept the September 2011 Pension Plan Report subject to audit.

3. Presentation of the September 2011 Financial Statements of Community Health Choice, Inc.

Mr. Richard Lee presented the September 2011 Financial Statements of Community Health Choice, Inc. in place of Mr. Janda who is in Austin at meetings regarding the 1115 Waiver. A copy of the report is available in the permanent record.

C. Planning and Operations Committee

Motion 11.10-138

Moved by Dr. Santos, seconded by Mr. Finder, and unanimously passed, that the Board approve a Memorandum of Understanding between the Harris County Hospital District and Community Health Choice for administrative services related to the Accountable Care Initiative Pilot.

D. PI & Patient Safety Committee

1. Review, Discussion and Possible Action regarding the Harris County Hospital District (HCHD) Quality Scorecard

Dr. Sutton reviewed the HCHD Quality Scorecard. A copy of the report is available in the permanent record.

2. Review, Discussion and Possible Action regarding the Harris County Hospital District (HCHD) Physician Partnership Survey Results

Mr. Lorren Pettit, Press Ganey reviewed the HCHD Physician Partnership Survey Results. A copy of the report is available in the permanent record.

E. Audit Committee

Motion 11.10-139

Moved by Mr. Finder, seconded by Mr. Wortham, and unanimously passed, that the Board approve the award for KPMG LLP for external audit services.

F. Bylaws Committee

Motion 11.10-140

Moved by Dr. Santos, seconded by Mr. Finder, and unanimously passed, that the Board approve the revised Bylaws of the Board of Managers, a copy of which is available in the meeting permanent records.

G. Legislative Committee

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

Ms. Mary Schneider presented the Legislative Committee Report focusing primarily on federal update. She announced that Mr. King Hillier was not present as he was in Austin at meetings on the 1115 Waiver.

VIII. President/Chief Executive Officer's Report to Include: 1) Texas 1115 Medicaid Waiver: Update

Texas 1115 Medicaid Waiver: Update

No report was given due to Mr. Lopez's absence.

IX. Executive Session

At 11:19 a.m., Mr. DonCarlos stated that the Board would go into Executive Session under Section 161.032 of the Texas Health & Safety Code and Texas Occupations Code Ann. 160.007 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.

X. Reconvene

At 12:26 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. 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.

C. Consultation with the County Attorney regarding litigation against JPMorgan Chase Bank, N.A. regarding safekeeping/custody agreement, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter upon Return to Open Session.

No action taken.

D. Consultation with the County Attorney regarding District employees assigned to the Harris County Hospital District Foundation pursuant to Tex. Gov't Code Ann. §551.071.

No action taken.

- E. Consultation with the County Attorney regarding Civil Action No. 4:11-cv-02193, *Shannon Martin v. Harris County Hospital District*; In the U.S. District Court for the Southern District of Texas, Houston Division, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter upon Return to Open Session.

Motion 11.10-141

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

The Harris County Hospital District, by and through its Board of Managers, approves and hereby authorizes the settlement of Civil Action No. 4:11-cv-02193; *Shannon Martin v. Harris County Hospital District*; In the U.S. District Court for the Southern District of Texas, Houston, Division, in an amount not to exceed \$60,000.00. \$40,000.00 will be payable to Shannon K. Martin and \$20,000.00 to her attorney, Josef F. Buenker. David S. Lopez, President/CEO, is authorized to execute any agreement, release or other necessary documents to effect his settlement.

- F. Consultation with the County Attorney regarding Cause No. 2011-07530; *Stellagreg Obiuche v. Harris County Hospital District*; In the 80th Judicial District Court of Harris County, Texas, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter upon Return to Open Session.

Motion 11.10-142

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

The Harris County Hospital District, by and through its Board of Managers, approves and hereby authorizes the settlement of Cause No. 2011-07530; *Stellagreg Obiuche v. Harris County Hospital District*; In the 80th Judicial District Court of Harris County, Texas, in an amount not to exceed \$41,000.00, payable to Stellagreg Obiuche and her attorney Craig Keener. David S. Lopez, President/CEO, is authorized to execute any agreement, release or other necessary documents to effect this settlement.

- G. Consultation with the County Attorney regarding Cause No. 2011-07531; *Brenda Blaže v. Harris County Hospital District*; In the 234th Judicial District Court of Harris County, Texas, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter upon Return to Open Session.

No action taken.

XI. Adjournment

Moved by Ms. Stiner, seconded by Dr. Santos, and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at 12:29 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 October 27, 2011.

Mr. Stephen DonCarlos, Chair
Board of Managers

Mr. E. Dale Wortham, Secretary

Recorded by Anne McCowan