



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

Thursday, February 24, 2011

Board Room – Administration Building

BOARD MEMBERS PRESENT

Mr. Stephen DonCarlos, Chair
Mr. E. Dale Wortham, Secretary
Dr. George Santos
Dr. Atul Varadhachary
Mr. Elvin Franklin, Jr. (left at 11:04 a.m.)
Mr. Lawrence Finder
Ms. Mary Spinks
Ms. Daisy Stiner

BOARD MEMBERS ABSENT

Ms. Carolyn Truesdell, Vice Chair

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
Dr. Matthew Wall, Chairman, Medical Executive Board
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
Ms. Nikki Caffey, Commissioner Jack Mormon's Office
Ms. Elizabeth Neal, Commissioner Jerry Eversole's Office (9:15 a.m.)
Administrative Staff
Guests
(Sign-in Sheets attached to permanent record)

I. Call to Order and Record of Attendance

Mr. Stephen DonCarlos, Chair, called the meeting to order at 9:07 a.m. and noted that a quorum was present. The attendance was recorded.

II. Approval of Minutes of Previous Meetings

Motion 11.2-21

Moved by Mr. Wortham, seconded by Ms. Spinks, and unanimously passed, that the Board approve the minutes of the January 27, 2011 Board of Managers Meeting.

III. Hear from Citizens

No citizens signed up to speak.

IV. Presentation of Gift from International Brotherhood of Electrical Workers Local Union 716

Mr. John Easton, Jr. (International Brotherhood of Electrical Workers Local Union 716) presented a \$10,000 check to the Harris County Hospital District Foundation.

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

Agenda item A1y was withdrawn.

Motion 11.2-22

Moved by Mr. Wortham, seconded by Mr. Finder, and unanimously passed, that the Board approve items V.A1a to V.A1x.

A. Items related to Purchasing

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

- a. award on the basis of low quote for John A. Walker Roofing Co., Inc. for roof replacement at Ben Taub General Hospital in the amount of \$862,525 (construction price - \$784,114; owner contingency - \$78,411).
- b. award on the basis of lowest bid meeting specifications for SpawGlass for demolition, renovation and modification of operating rooms at Ben Taub General Hospital in the amount of \$480,659 (construction price - \$384,527; owner contingency - \$96,132).
- c. award on the basis of best bid for Horizon International Group, LLC for demolition and renovation services at Martin Luther King, Jr. Health Center/Eligibility Center in the amount of \$353,760 (construction price - \$294,800; owner contingency - \$58,960).
- d. award on the basis of low bid for R&B Group, Inc. for construction of sewage water collection system at Lyndon B. Johnson General Hospital in the amount of \$231,000 (construction price - \$210,000; owner contingency - \$21,000).
- e. award on the basis of highest overall evaluation and authorize negotiations for Sebesta Blomberg & Associates, Inc. for professional architectural and engineering services for facilities commissioning (if the Hospital District and Sebesta Blomberg & Associates, Inc. are unable to agree on an

executable contract then the Hospital District, at its sole discretion, may discontinue negotiations and proceed to negotiate with the next ranking offeror).

- f. approve additional funds for C.F. McDonald Electric, Inc. for emergency power upgrade at Lyndon B. Johnson General Hospital in the estimated additional amount of \$175,096 (Board previously approved funds in the amount \$1,818,669).
- g. award on the basis of successful negotiations with the highest ranking vendor for Protiviti, Inc. to provide professional consulting and auditing services for various existing and future construction and/or construction related projects in the amount of \$230,000 upon execution of agreement with four one-year renewal options.
- h. approve the final renewal option for Aetna Life Insurance Company to provide medical and prescription drug coverage and employee assistance programs for Hospital District employees in the estimated amount of \$85,086,729 for the term March 1, 2011 through February 29, 2012.
- i. approve additional funds for United Healthcare Insurance Company (UHC) (\$196,458), Aetna Life Insurance Company (\$285,879), and Hartford Life & Accident Insurance Company (Hartford) (\$66,356) for dental DHMO and DPPO, basic life and AD&D, voluntary life and AD&D, vision and flexible spending account coverage(s) in the estimated additional amount of \$548,693 for the term March 1, 2010 through February 28, 2011 (Board previously approved funds in the amount of \$5,554,610 for the same term).
- j. approve the first of four renewal options for John L. Wortham & Son, L.P. for all risk property insurance and boiler and machinery coverage in the estimated amount of \$2,241,153 for the term April 1, 2011 through April 1, 2012.
- k. award on the basis of best bids meeting specifications by class for Sharp & Dohme for Schering Plough (\$11,940), AMO Sales and Services, Inc. (\$35,997), Merck Sharp & Dohme for Merck Schering Plough (\$252,855), and AstraZeneca LP/AstraZeneca Pharmaceutical LP (\$409,133) for outpatient pharmaceutical products in the multi-vendor estimated amount of \$709,925 for the term March 1, 2011 through February 29, 2012.
- l. approve the second of two renewal options for PharMedium Services, LLC (\$350,000) and Unique Pharmaceuticals, Ltd. (\$1,250,000) for sterile admixing pharmaceuticals in the multi-vendor estimated amount of \$1,600,000 for the term March 1, 2011 through February 29, 2012.
- m. award on the basis of low quote for Set Solutions, Inc. for maintenance and support of IronPort Anti-Spam and Anti-Virus Software in the amount of \$121,115 for the term March 31, 2011 through March 30, 2012.

- n. award on the basis of low quote for Business Security Solutions, LLC for maintenance and support of Pointsec products in the amount of \$109,725 for the term April 12, 2011 through April 11, 2012.
- o. approve the second of four renewal options for Siemens Medical Solutions, USA, Inc. (Siemens) to provide remedial maintenance service required for CT Scanners and Leonardo Workstations in the estimated amount of \$529,774 for the term March 1, 2011 through February 29, 2012.
- p. approve the third of four renewal options for CareFusion Solutions, Inc. formerly Cardinal Health 301, LLC (PP-CE-383) to provide for continued rental and maintenance of automated medication and dispensing cabinets in the estimated amount of \$1,362,900 for the term March 1, 2011 through February 29, 2012.
- q. approve the second of four renewal options for Siemens Healthcare Diagnostics, Inc. (Siemens) to provide hepatitis C virus (HCV) genotype testing in the estimated amount of \$110,610 for the term March 1, 2011 through February 29, 2012.
- r. award on the basis of sole source for DIGIRAD Corporation for a Mobile Gamma Camera in the amount of \$279,000.
- s. approve corrected term and the first of four renewal options for Sysmex America, Inc. (PP-LA-265 fka PP-LA-203) to provide hematology analyzers for the Community Health Program clinics in the estimated amount of \$262,376 for the corrected term of April 1, 2011 through March 31, 2012 (term as approved is December 14, 2009 through December 13, 2010).
- t. ratify funding on the basis of single source contract for Beckman Coulter, Inc. (PP-LA-198 & PP-LA-255) to provide reagents for small chemistry analyzers for the Community Health Program clinics in the estimated amount of \$102,000 for the term November 1, 2010 through October 31, 2011.
- u. ratify funding on the basis of product standardization for AMD-Ritmed, Inc. (PP-OR-275) for sponges and operating room towels in the estimated amount of \$115,802 for the term February 1, 2011 through January 31, 2012.
- v. ratify additional funds as an exception to the Hospital District Purchasing Manual bid requirements for Matheson Tri-Gas, Inc. for bulk liquid oxygen, tanks and various gases in the additional amount of \$137,000 for the extended term of October 1, 2010 through March 31, 2011 (Board previously approved funds in the amount of \$505,000 for the term December 1, 2009 through September 30, 2010).

- w. ratify the first of two renewal options for Praxair Healthcare Services, Inc. to provide medical gases for use in patient care in the estimated amount of \$360,989 for the term February 1, 2011 through January 31, 2012.
- x. ratify the renewal option for McKesson Automation, Inc. (McKesson) for maintenance of MedCarousel Automated Medication Dispensing System in the estimated amount of \$107,942 for the term September 29, 2010 through September 28, 2011 (BTGH – sixth of seven renewal options) July 1, 2010 through June 30, 2011 (LBJ – seventh and final renewal option).
- y. WITHDRAWN.

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

- a. transmittal of purchase on the basis of best contract for Draeger Medical Inc. to provide thirteen transcutaneous bilirubin meters in the amount of \$78,000.
- b. transmittal of purchase on the basis of best contract for Midwest Medical Supply Company to provide twenty-one vital sign monitors in the amount of \$53,784.
- c. transmittal of purchase on the basis of sole source for Q-Matic Corporation for Q-Matic Software support and maintenance in the estimated amount of \$54,210 for the term March 1, 2011 through February 29, 2012.
- d. transmittal of purchase on the basis of best contract for Smiths Medical, ASD Inc. for IV large volume PCA and syringe pumps in the amount of \$94,144.
- e. transmittal of the first of four one-year renewal options for Rosetta Stone Ltd. for a web-based foreign language learning system in the estimated amount of \$68,653 for the term February 1, 2011 through January 31, 2012.
- f. transmittal of award on the basis of only bid received for Germfree Laboratories for biological safety cabinets (gloveboxes) in the amount of \$99,519.
- g. transmittal of the third of four renewal options for ETS Environmental Testing Services, Inc. for gas monitoring and assessments, piped medical gas system assessment and preventive maintenance, operating and negative pressure isolation rooms ventilation assessments, minor and emergency gas system repairs in the estimated amount of \$58,390 for the term March 1, 2011 through February 29, 2012.
- h. transmittal of award on the basis of lowest proposal meeting requirements for Suddath Relocation Systems of Houston, Inc. for a move consultant in the amount of \$47,350 for the term upon execution and ending fifteen months thereafter.

- i. transmittal of exemption from the competitive bid requirements and the first of five renewal options for TGC, LLC for administrative appeal(s) and related appeal(s) in the Federal Courts of the Budget Neutrality (BN) Calculations in the estimated amount of \$83,761 for the term February 1, 2011 through January 31, 2012.
- j. transmittal of renewal on the basis of sole source for McKesson Information Solutions LLC (McKesson) for maintenance and support for the Trendstar® Decision Support Software in the estimated amount of \$75,600 for the term January 1, 2011 through December 31, 2011.

Motion 11.2-23

Moved by Mr. Wortham, seconded by Mr. Finder, and unanimously passed, that the Board approve agenda items V.B.-V.Y.

Mr. Franklin noted that the language on item V.E. has been changed.

- B. Approval of a Renewal Agreement between the Harris County Hospital District and Goose Creek Consolidated Independent School District to administer a School-Based Program at San Jacinto Elementary for the period September 1, 2011 through August 31, 2012.
- C. Approval of a Renewal Agreement between the Harris County Hospital District and Sheldon Independent School District to administer a School-Based Program at Sheldon Elementary School for the period September 1, 2011 through August 31, 2012.
- D. Approval of a Renewal Agreement between the Harris County Hospital District and Deer Park Independent School District to administer a School-Based Program at Deepwater Elementary School for the period September 1, 2011 through August 31, 2012.
- E. Approval of a Renewal Agreement between the Harris County Hospital District and Galena Park Community Resource and Training Center to administer a School-Based Program at the Galena Park Community Resource and Training Center for the period September 1, 2011 through August 31, 2012.
- F. Approval of a Renewal Agreement between the Harris County Hospital District and Galena Park Independent School District to administer a School-Based Program at Cloverleaf Elementary School for the period September 1, 2011 through August 31, 2012.
- G. Approval of a Renewal Agreement between the Harris County Hospital District and Channelview Independent School District to administer a School-Based Program at Channelview Independent School District Annex Campus for the period September 1, 2011 through August 31, 2012.

- H. Approval of a Renewal Agreement between the Harris County Hospital District and North Forest Independent School District to administer a School-Based Program at Smiley High School for the period September 1, 2011 through August 31, 2012.
- I. Approval of a Renewal Agreement between the Harris County Hospital District and Houston Independent School District to administer a School-Based Program at Patrick Henry Middle School and Marshall Middle School for the period September 1, 2011 through August 31, 2012.
- J. Approval of Correction of the Term of a Renewal Agreement between the Harris County Hospital District and Channelview Independent School District to administer a School-Based Program at Channelview Independent School District Annex Campus and surrounding schools from January 4, 2011 through August 31, 2011.
- K. Approval of an Interlocal Agreement between the Harris County Hospital District and the Harris County Public Health and Environmental Services for the use of space, at no cost, at Thomas Street Health Center for HIV prevention education to eligible HIV-infected individuals for the term March 1, 2011 through February 29, 2012.
- L. Approval of a Facilities Use Agreement between the Harris County Hospital District and the AIDS Foundation Houston for the use of space, at no cost, at Thomas Street Health Center to provide child monitoring services to eligible HIV-infected individuals for the term March 1, 2011 through February 29, 2012.
- M. Approval of a Facilities Use Agreement between the Harris County Hospital District and the Houston Volunteer Lawyers for the use of space, at no charge, at Thomas Street Health Center to provide legal consultation to eligible HIV-infected individuals for the term March 1, 2011 through February 29, 2012.
- N. Approval of a Facilities Use Agreement between the Harris County Hospital District and the Bering Omega Community Services for the use of space, at no cost, at Thomas Street Health Center to provide housing assistance and placement to eligible HIV-infected individuals for the term March 1, 2011 through February 29, 2012.
- O. Approval of an Agreement between the Harris County Hospital District and Crossroads at Park Place, Inc. to provide on-site eligibility registration services to eligible homeless individuals at no cost for the term March 1, 2011 through October 31, 2011.
- P. Approval for the Hospital District to pay the City of Houston \$92,041 for the abandonment and sale by the City a portion of McGee Street from Hoffman Road West \pm 1,042 feet, a portion of Troost Street from Hoffman Road West \pm 987 feet, and Hoffman Road from Interstate Highway 610 North to Kelley

Street, in exchange for the conveyance to the City of Houston or dedicate to the public a right-of-way for construction of a 60-foot-wide, all located in Kashmere Gardens, Park Section, out of the Harris and Wilson Two League Grant, A-32 (Parcels SY9081A, SY9-081C, and AY9-5552) for the Westland Property at Lyndon B. Johnson General Hospital. The Hospital District also agrees to perform the items listed in item 7 of the letter dated November 30, 2010 from the City of Houston to the Hospital District that is attached and incorporated herein by reference.

- Q. Approval to enter into Lease Option 14 of the Lease Agreement between the Hospital District and the City of Pasadena for approximately 35,564 square feet of space for the Strawberry Health Center/Eligibility Center at the cost of \$9,933.49/month for the term March 1, 2011 through February 29, 2012.
- R. Approval to pay change orders in an amount not-to-exceed \$310,000 to SureTec Insurance Company to complete the Hospital District's Baytown Health Center Expansion Project located at 1602 Garth Road, Baytown, Texas 77520.
- S. Approval of 1st Amendment of Archi*Technics/3, Inc. Agreement, for the Baytown Health Center Expansion Project Located at 1602 Garth Road, Baytown, Texas 77520, to provide additional architecture services (\$36,800) and signage and wayfinding services (\$28, 690) in the not-to-exceed additional amount of \$65,490.
- T. Approval of the 14th Amendment to the Fidelity Trust Agreement between Fidelity Management Trust Company and the Harris County Hospital District.
- U. Approval of the Employee Solicitation Policy.
- V. Approval of the Terms Relating to the Indigent Care Agreement between the Harris County Hospital District and the Texas Health & Human Services Commission and authorize the Executive Vice President & Chief Financial Officer to sign this agreement.
- W. Approval of Authorized Signatures for the Harris County Hospital District Accounts and Certain Community Health Choice, Inc. Bank Accounts: HCHD - David S. Lopez, George Masi and Michael Norby; Community Health Choice, Inc. – David s. Lopez, Michael Norby, Kenneth Janda and Richard Lee.
- X. Approval of Authorized Signatures for the Harris County Hospital District Benefit Plan Accounts: David S. Lopez, George V. Masi, Michael Norby and Gwendolyn Huskey.
- Y. Approval of Authorized Signatures for Collateral Transactions with the Federal Reserve Bank: David S. Lopez, George V. Masi and Michael Norby.

VI. Reports of the Committees

A. Joint Conference Committee

Dr. Matthew Wall presented the credentialing changes for members of the HCHD medical staff for February 2011. A copy of the report is available in the permanent record.

1. Motion 11.2-24

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

Dr. Matthew Wall presented the Medical Board Report. He noted that an extensive bylaws revision, mandated by Joint Commission, was sent to the medical staff this week. These changes should be presented at the next Board meeting. A copy of the report is available in the permanent record.

2. Motion 11.2-25

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

Motion 11.2-26

Moved by Mr. Wortham, seconded by Mr. Franklin, and unanimously passed, that the Board approve agenda items VI.A.3-VI.A.14.

Dr. Varadhachary noted that it was unclear what was being changed. Dr. Wall stated that the District had relatively generic credentialing forms in the past and these are much more service specific. The forms were purchased from an outside vendor and modified to fit the District's needs. The intent was to provide a more metric driven credentialing activity. Dr. Brown noted that these are related to the Joint Commission requirement of core privileging and need to be in place before the Joint Commission survey.

3. Approval regarding Replacement of Allergy and Immunology Clinical Privileges Forms for the Harris County Hospital District
4. Approval regarding Replacement of Cardiology Clinical Privileges Forms for the Harris County Hospital District
5. Approval regarding Replacement of Child Neurology Clinical Privileges Forms for the Harris County Hospital District
6. Approval regarding Replacement of Critical Care Clinical Privileges Forms for the Harris County Hospital District
7. Approval regarding Replacement of Endocrinology Clinical Privileges Forms for the Harris County Hospital District

8. Approval regarding Replacement of Geriatric Medicine Clinical Privileges Forms for the Harris County Hospital District
9. Approval regarding Replacement of Infectious Disease Clinical Privileges Forms for the Harris County Hospital District
10. Approval regarding Replacement of Medical Genetics Clinical Privileges Forms for the Harris County Hospital District
11. Approval regarding Replacement of Neurology Clinical Privileges Forms for the Harris County Hospital District
12. Approval regarding Replacement of Pulmonary Medicine Clinical Privileges Forms for the Harris County Hospital District
13. Approval regarding Replacement of Rheumatology Clinical Privileges Forms for the Harris County Hospital District
14. Approval regarding Replacement of Sleep Medicine Clinical Privileges Forms for the Harris County Hospital District

B. Budget and Finance Committee

Mr. Norby presented the January 2011 Financial Report. He stated that volumes are consistent with prior months and inpatient admissions/patient days continue to be less than prior year and budgeted. ER visits for October, November, and December were each below budget. It was determined that the capture of these statistics and related charges has been understated for this period as a result of learning curves associated with Epic implementation.

Mr. Norby stated that one of the low points of the report is the deterioration in payor mix for the month. Charity and self-pay were at 62.9% compared to a budget of 58%. Medicaid volume and commercial/other also went down for the month. Dr. Santos addressed the FY 2012 budget, stating that one of the assumptions is a 9% increase in net patient revenue. A decrease was seen in both Medicare and Medicaid volume on the year-to-date data with a slight increase in commercial/other. He stated that he was concerned regarding whether the District was going to be able to make these projected margins. Mr. Norby noted that it would be a challenge. Dr. Santos stated that the financial statements at this point do not support these assumptions. Mr. Norby stated that they are falling short from what they had hoped for from a payor mix standpoint. They are in the process of putting several front end redesigns in place for eligibility and access. An analytics tool will go live March 1, which will allow staff to verify insurance coverage on a preregistration basis. Discussion ensued. Mr. Norby stated that there are many things they have listed under strategy opportunities for the next year. Mr. Lopez stated that the District is leaving money on the table right now that they should be collecting, noting that there has been a significant increase over the past 3 years. The District will continue to push very hard in the upcoming year to collect everything that can be collected on. He noted that it is believed that a 9% increase is achievable through much hard work.

Dr. Varadhachary noted that some of these issues could be scheduled for a broader discussion. He suggested having a Strategic Planning Committee meeting every 2-3 months for issues such as these. It was stated that the Strategic Planning Committee will begin to meet quarterly. Dr. Varadhachary addressed the idea of incentivizing employees to use District facilities. He asked if there had been thought into reducing co-pays as a financial incentive. Mr. Lopez stated that they can look into this. The District was not a provider in their own network until December, and they are now developing strategies to advertise this option. Dr. Santos asked if some items that have fallen behind could begin to be addressed in the Strategic Planning Committee meetings such as the District's marketing initiatives. Dr. Varadhachary stated that the due-outs will be reviewed to see what some of the major issues are. Mr. DonCarlos stated that he has discussed the possibilities of having special quarterly dinner meetings to address specific issues with Ms. Sims. It has been suggested that the first one be held to address the marketing initiatives.

Mr. Norby referred back to the report, stating that net patient service revenue was short of the budget for the month. Dispro/UPL reflects a \$3.6 million revenue shortfall due to the statewide cap limitation. They should be \$2 million under budget by the end of the year. Salaries/Wages/Benefits were \$1.5 million favorable to budget as a result of lower inpatient volume for the month. Supplies were approximately \$500,000 favorable to budget. Discussion ensued. Mr. Franklin complimented Mr. Norby on providing the real facts of where the District was financially. A copy of the report is available in the permanent record.

1. Motion 11.2-27

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

Mr. Norby presented the January 2011 Pension Plan Report. The plan is 86% funded as of the end of January. A copy of the report is available in the permanent record.

2. Motion 11.2-28

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

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

Mr. Richard Lee presented the January 2011 CHC Financial Report. Net income was \$6,321,522 for January 2011. STAR member months were 1% above budget for the month. Total revenue was 2% below budget for the month. Administration expenses are 17% below budget for the month. A copy of the report is available in the permanent record.

Mr. Kelly Johnson presented agenda item VI.B.4.

4. Motion 11.2-29

Moved by Dr. Santos, seconded by Mr. Franklin, and unanimously passed, that the Board ratify the assignment of purchase order for Creative Office Furniture – TXMAS Contract (assignor) and Affordable Interior Systems, Inc. (AIS) c/o Creative Office Furniture (assignee) for Office Furniture for Patient Financial Services at Holly Hall in the Amount of \$221,403.

Mr. Franklin addressed agenda item VI.B.5, stating that the Board never received requested information on this item. He stated that he was still in favor of pushing this item out one year due to budget constraints. Ms. Spinks stated that she spoke with another vendor recently who has met with Mr. Masi. Mr. Masi stated that he met with the vendor and sent the report to Ms. Spinks, Mr. Tindle, and Ms. Cloyd for them to take under advisement. Ms. Spinks stated that she agreed with Mr. Franklin and would like to push this item back.

Mr. Tindle stated that the single largest expense in the District is salaries, and the management team has been struggling with the issues of overtime and contract labor. This system provides the ability to address control issues. Many nurses have multiple jobs, which is currently very difficult to track. This provides a scheduling system and a time management system. The vendor that Mr. Masi met with only provides a scheduling system. Dr. Santos asked for Mr. Tindle's estimate of how much the District is spending in avoidable overtime and/or those with PTO plus work hours. Mr. Tindle stated that the estimated savings with this product would be \$1.7 million in the first year and \$7.5 million over 7 years. Ms. Spinks asked if this was a reality or what they hoped would happen. Mr. Norby stated that the District currently lacks the tools for online, real time management. Currently, reviews are always being done on the back end.

Mr. Franklin stated that there have been many times in the past where there is no follow-up after implementation. He asked what the implementation time would be and whether a consultant would be needed after implementation. Mr. Tindle stated that the vendor provides the training. It is estimated that this would be fully implemented by September or October 2011. Mr. Franklin stated that Mr. Tindle presented a convincing case, but asked that the Board be given a report when the system goes live followed by quarterly reports. Discussion ensued.

5. Motion 11.2-30

Moved by Mr. Franklin, seconded by Ms. Stiner, and unanimously passed, that the Board approve an award on the basis of best proposal meeting requirements for Kronos Incorporated for time, attendance and scheduling system (estimated cost, year 1 - \$1,335,295; estimated cost, five-year period - \$1,916,609) for a one-year initial term with four one-year renewal options.

C. 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

Mr. Hillier presented the Legislative Report. He stated that it is the end of the 1st quarter of 4 quarters of legislative session. The Senate is going to end up with the budget next week and the target on the House side is the first week of March. He stated that he feels like the House Bill will pass as it is laid out. There has been discussion regarding sales tax increases to cover some of the deficit. This would bring in about \$1-\$2 billion. There are several things to review and when all is done, there will be a \$3-\$5 billion shortfall that needs to be discussed. They are currently looking at a possible 25%-32% Medicaid rate reduction. He has worked with Mr. Norby to update the budgetary impact sheet sent to our delegation. Discussion ensued regarding the Parkland Bill. A copy of the bill will be sent to the Board of Managers. The bill itself is a 4-year agreement stating that the Board is not in a place to supervise the practice of medicine. A committee would need to be comprised of five physicians providing care in the organization. He noted that these structures are already in place since it can be a subcommittee of an existing committee. TMA is on record as supporting this bill. Discussion ensued regarding immigration issues.

VII. Miscellaneous Agenda Items

Motion 11.2-31

Moved by Mr. Wortham, seconded by Ms. Stiner, and unanimously passed, that the Board approve agenda items VII.A. and VII.B.

- A. Ratify 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. Ratify an Agreement between the Harris County Hospital District and Johnson & Johnson Patient Assistance Foundation, Inc. to participate in the Hospital Access Patient Assistance Program for Healthcare Facilities at no cost to the District.

VIII. President/Chief Executive Officer's Report to Include: 1) New HCHD Foundation Leadership; 2) American Heart Association – Platinum Start Fit-Friendly Company; and 3) Emergency Room Wait Times

New HCHD Foundation Leadership

Mr. Lopez stated that there has been a change in regards to Foundation leadership. Ms. Sims has been the Board Administrator and Executive Director of the Foundation for many years. The Board thanked Ms. Sims for her work over the years. The Foundation

Board opted to have a full-time Executive Director for the Foundation and appointed Ms. Lisa Whitaker. Ms. Whitaker was introduced to the Board.

American Heart Association – Platinum Start Fit-Friendly Company

Mr. Lopez stated that there was discussion a couple years ago regarding the need to do more in the community for wellness to lower the expense of health care. He stated that the team working on this has done a fantastic job over the past couple of years. Dr. Hilliard introduced Ms. Michelle Galindo and Ms. Bianca Lopez, stating that the success of the employee wellness program is due to the marketing efforts of the wellness team.

Ms. Galindo stated that the American Heart Association offers the fit friendly award in gold or platinum. The Hospital District received the gold recognition in 2009 and platinum recognition in 2010. Platinum recognition was received by meeting gold criteria and increasing the participation by more than 10% from the previous year. Participation in the Hospital District increased by 30% and continues to increase.

Ms. Lopez stated that they really tried to focus on increasing activities for employees in 2010. Activities are offered onsite and offsite, and there are a variety of different activities offered. One of the strategies is to map the location of employee's homes to provide more convenient activities. An overview of activities was distributed to the Board for information.

Emergency Room Wait Times

Mr. Webster and Dr. Tucker presented the Harris County Hospital District Emergency Center Length of Stay Report for 2008-2010. Total patient volume by quarter and average length of stay by quarter were presented. Dr. Tucker presented the five different levels of screening, noting that triage is done for all patients immediately upon entering the hospital. It is during triage that the patient is assigned an ESI level (1-5). Mr. Webster presented the percentage of patient volume at Ben Taub by ESI levels for 2010. The highest category seen is Level 3's followed by Level 2's and 4's. Level 1's are the lowest number with 4,000-5,000 true level 1 patients in a given year. Dr. Tucker presented the percentage of patient volume at LBJ by ESI levels for 2010. Mr. Webster presented the BTGH length of stay by ESI (time of arrival to time of discharge). Dr. Santos asked if there were any measures from time of triage to time of actual treatment. Mr. Webster stated that these times are included in the full report.

Discussion ensued regarding training for employees related to compassionate behavior. Dr. Tucker stated that 70%-80% of EC staff has been trained as they move into the new center. They have been able to identify opportunities for improvement by doing this. Dr. Santos asked what monitors were in place to make sure all corrective actions are occurring. Dr. Tucker stated that they still have some work to do. They have increased their presence (Dr. Tucker, Dr. Brown, and Ms. Reece) in the EC and will continue to round. Several issues have been found and corrective actions have been done for several employees. Dr. Santos stated that there really isn't an adequate quality monitoring system. He stated that this problem is not unique to the public system, but there has to be an active monitoring system looking at issues in great detail. Dr. Tucker stated that

they can take this issue back and develop some further actions. Dr. Santos stated that they cannot expect the level of urgency to exist anywhere else if it does not exist in this room and in administration.

Dr. Hoxhaj, Medical Director of the BTGH Emergency Center, stated that these statistics are a snapshot in time. There has been a significant increase in patient satisfaction over the past couple of years. He further stated that it would be very difficult to find other emergency centers that have decreased length of stay while increasing volume. Discussion ensued. Ms. Stiner stated that the Board appreciates the good efforts made, but all members have been told stories in the community that unfortunately overshadows much of the good work being done. Ms. Reece addressed the comments made, stating that they definitely have some work to do on culture changes and staff will be held accountable. They will not move into the new EC with old practices and attitudes. Mr. Wortham asked Mr. Thomas Webb (ASCME 1550) to make sure the members of the employee union are a party to this effort. Dr. Santos stated that he appreciates the efforts of the nursing and medical staff. It is unfortunately a harsh reality that the efforts made are not enough. This process must keep moving forward. Mr. Finder stated that this is not the first time there has been discussion regarding a culture change. He stated that improvement has been seen and he was satisfied that progress has been made. He commended the group for their effort. Mr. DonCarlos stated that he understands the bottlenecks, but he hoped that the Board was accurately conveying their seriousness that this is a problem that they have to get under control. There is staff on the ground that must be sensitive to their unique patient population. Staff might be seeing thousands of patients, but each patient is only seeing one staff member. They must determine a way to be sensitive to issues such as stress and education levels. He asked that suggestions from employees and all others be considered. He asked that the message be conveyed to employees in both emergency centers that their work be commended, but it is not enough right now. He asked that every possibility be reviewed, whether it's been done before or not. Mr. Lopez stated that periodical data would be presented to the Board to update them on progress made. A copy of the report is available in the permanent record.

IX. Executive Session

At 11:21 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 073. Mr. DonCarlos stated that the regular meeting of the Board would reconvene at the close of Executive Session.

X. Reconvene

At 12:03 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 the contract between the Harris County Hospital District and Matl Construction Corporation for the Construction of the MLK Community Health Center, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter upon Return to Open Session.

No action taken.

- C. Discussion regarding Contractual Negotiations for a Proposed Donation Benefiting the Harris County Hospital District pursuant to Tex. Gov't Code Ann. §551.073 and Possible Action regarding this Matter upon Return to Open Session

No action taken.

XI. Adjournment

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

There being no further business, the meeting adjourned at 12:03 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 February 24, 2011.

Mr. Stephen DonCarlos, Chair
Board of Managers

Mr. E. Dale Wortham, Secretary

Recorded by Christie Reno