



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

Thursday, April 28, 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
Mercedes Leal, County Attorney's Office
Dr. Matthew Wall, Chairman, Medical Executive Board
Dr. Jose Garcia, AMS
Ms. Peggy Boice, Judge Ed Emmett's Office
Mr. Mark Fury, Commissioner Steve Radack's Office
Ms. Elizabeth Neal, Commissioner Jerry Eversole'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 9:22 a.m. and noted that a quorum was present. The attendance was recorded.

II. Approval of Minutes of Previous Meetings

Motion 11.4-48

Moved by Mr. Wortham, seconded by Mr. Spinks, and unanimously passed, that the Board approve the minutes of the March 31, 2011 Board of Managers Meeting.

III. Hear from Citizens

No citizen appeared to speak.

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

Motion 11.4-49

Moved by Mr. Wortham, seconded by Ms. Spinks, and unanimously passed, that the Board approve items IV.A1a to IV.A1z (with the exception of A1n, which was pulled prior to the meeting and A1v).

A. Items related to Purchasing

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

- a. approve termination of contract (effective May 1, 2011) for The Lanair Co., Inc. dba City Brace Company Inc. for prosthetic, orthotic, and pedorthotic devices.
- b. award on the basis of low bid for the Lanair Co., Inc. dba City Brace Company Inc. (primary) and Schiff Prosthetics/Fondren Orthopedic Prosthetics & Orthotics (secondary) for prosthetic, orthotic, and pedorthotic devices and services in the estimated amount of \$175,160 for the term May 1, 2011 through April 30, 2012 with four one-year renewal options.
- c. approve corrected term for Protiviti, Inc. for professional accounting services for consulting and auditing of construction projects to March 1, 2011 through February 29, 2012 (corrected term) from upon execution of agreement (as approved).
- d. approve the second of four renewal options for Texas Access Controls for maintenance services for automatic doors in the estimated amount of \$200,000 for the term May 1, 2011 through April 30, 2012.
- e. award on the basis of best proposal meeting requirements for Chopra Imaging Centers Inc. dba Advanced Diagnostics, One Step Diagnostic, and Park Plaza Hospital for ultrasound services in the multi-vendor estimated amount of \$1,942,972 for a one-year initial term with four one-year renewal options.
- f. approve the third of four renewal options for CareFusion Solutions, Inc. formerly Cardinal Health 301, Inc. (PP-CE-383) for lease and maintenance of supply distribution cabinets in the estimated amount of \$526,987 for the term July 1, 2011 through June 30, 2012.

- g. approve the fourth and final renewal option on the basis of sole source for GE Healthcare for remote service and diagnostics of radiology equipment in the estimated amount of \$956,341 for the term July 1, 2011 through June 30, 2012.
- h. approve the first of four renewal option for Genzyme Biosurgery for resorbable barrier adhesion film in the estimated amount of \$192,160 for the term July 1, 2011 through June 30, 2012.
- i. approve the renewal as an exception to the Hospital District Purchasing Manual bid requirements for Gulf Coast Regional Blood Center for blood products and components in the estimated amount of \$7,513,506 for the term June 1, 2011 through May 31, 2012.
- j. approve the fifth and final renewal option for Abbott Laboratories, Inc. (PP-LA-263 fka PP-LA-205) to provide analyzers for hematology testing, including complete blood counts and differentials in the estimated amount of \$343,067 for the term June 1, 2011 through May 31, 2012.
- k. approve additional funds for Abbott Laboratories, Inc. for blood glucose meters, reagents, training and service in the estimated additional amount for final payment of \$261,684 (Board previously approved funds in the amount of \$2,551,407 for the term April 14, 2007 through December 31, 2010).
- l. approve funding for the fourth year of a five-year agreement for Radiometer America, Inc. (fka PP-LA-163) for blood gas analyzers in the estimated amount of \$162,696 for the term June 17, 2011 through June 16, 2012.
- m. approve the third of four renewal options for Hollister Incorporated for patient bowel management systems in the estimated amount of \$112,727 for the term May 1, 2011 through April 30, 2012.
- n. WITHDRAWN.
- o. approve the first of two renewal options for Bracco Diagnostics Inc. (\$94,794) and GE Healthcare Inc. (\$1,108,258) for pharmaceutical products (contrast media) in the total multi-vendor estimated amount of \$1,203,052 for the term May 1, 2011 through April 30, 2012.
- p. approve the third of four renewal options for Dictaphone, a division of Nuance to provide licensing access, support and maintenance for the Powerscribe Speech Recognition System for the Radiology Department in the estimated amount of \$148,475 for the term May 19, 2011 through May 18, 2012.
- q. award on the basis of only bid received for Acceletronics Services, Inc. to provide preventive maintenance and remedial repair for linear accelerators in the amount of \$280,000 for the term May 1, 2011 through April 30, 2012 with four one-year renewal options.

- r. award on the basis of best bid by class for Network Cabling Services, Inc. – Class I (\$10,000) and NetVersant Solutions LLC – Catalogs and Class II-IV (\$215,000) in the multi-vendor amount of \$225,000 for the term April 28, 2011 through March 21, 2012 with four one-year renewal options.
 - s. approve purchase on the basis of low quote for Business Security Solutions, Inc. for Websense Web Security Software in the amount of \$107,350 for the term June 29, 2011 through June 28, 2012.
 - t. approve the second of three renewal options for Emporos Systems Corporation to provide maintenance and support for the pharmacy cashiering system in the estimated amount of \$139,260 for the term June 16, 2011 through June 15, 2012.
 - u. approve renewal on the basis of sole source for Alert Logic, Inc. to provide continued use of intrusion detection and security monitoring software in the estimated amount of \$228,000 for the term June 1, 2011 through May 31, 2012.
 - v. WITHDRAWN.
 - w. approve purchase on the basis of sole source for Neoventa Medical, Inc. for fetal heart rate monitors and accessories in the amount of \$148,500.
 - x. ratify purchase on the basis of best contracts for Medela, Incorporated (\$10,946) and Evenflo Company, Inc. (\$104,687) for breast pump equipment and accessories in the multi-vendor estimated amount of \$115,633 for the term April 1, 2011 through March 31, 2012.
 - y. ratify funding for SimplexGrinnell (TXMAS-5/03FAC010-1) to provide quarterly testing and maintenance of fire alarm systems in the estimated amount of \$205,013 for the term March 1, 2011 through February 29, 2012.
 - z. ratify purchase on the basis of lowest priced contract for Cardinal Health 200 LLC for surgical and isolation masks in the estimated amount of \$256,646 for the term January 1, 2011 through December 31, 2011.
- A (2). Transmittals of Completed Items **(For Informational Purposes)**
- a. transmittal of award on the basis of low bid for Generic Medical Devices (GMD) for surgical incontinence products in the amount of \$56,925.
 - b. transmittal of additional funds for Becton Dickinson and Company through BD Biosciences for flow cytometry in the estimated additional amount of \$46,383 for the term April 24, 2010 through April 23, 2011 (Board previously approved funds in the amount of \$166,479 for the same term).
 - c. transmittal of the second and final renewal option for Sign Shares to facilitate hearing impaired patient needs in the estimated amount of \$95,000 for the term April 1, 2011 through March 31, 2012.

- d. transmittal of purchase on the basis of best contract for Abbott Medical Optics (fka Advanced Medical Optics) for a phacoemulsification ophthalmic surgical unit in the amount of \$55,854.
- e. transmittal of renewal for CareFusion Solutions, Inc. (PP-CE-383) for lease and maintenance of supply distribution cabinets in the estimated amount of \$81,240 for the term July 1, 2011 through June 30, 2012.
- f. transmittal of purchase on the basis of low quote for CentiMark Corporation for roof replacement at Thomas Street Clinic in the amount of \$99,937.
- g. transmittal of funding for Metropolitan Transit Authority of Harris County, TX for the RideSponsor Q-Card Sales Program in the estimated amount of \$85,100 for the term April 3, 2011 through April 2, 2012.
- h. transmittal of funding on the basis of product standardization for Smiths Medical, ASD, Inc. (PP-OR-583) and Nellore Puritan Bennett, a Tyco Healthcare Company (PP-OR-582) for endotracheal tubes and related products in the multi-vendor estimated amount of \$96,693 for the term January 1, 2011 through December 31, 2011.

Motion 11.4-50

Moved by Mr. Wortham, seconded by Mr. Franklin, and unanimously passed, that the Board approve agenda items IV.B. – IV.M.

- B. Approval of a Facilities Use Agreement between the Harris County Hospital District and Legacy Community Health Services for the use of space at Thomas Street Health Center to provide group-level intervention to eligible HIV-infected individuals for the term May 1, 2011 through April 30, 2012.
- C. Approval of a Continuation of an Agreement between the Harris County Hospital District and Lord of the Streets Episcopal Church to provide on-site health care and eligibility services to eligible homeless individuals in the amount of \$66,200 for the term May 1, 2011 through April 20, 2012.
- D. Approval of Correction of Motion #10.9-134 and minutes regarding scope of services in the Health Care for the Homeless Program Contracts as listed.
- E. Approval to enter into a Professional Services Agreement with Engineers Scientists Planners Architects (ESPA) Corporation and Wilson Architectural Group, Inc. to provide a condition assessment study of the exterior façade and roof at the Holly Hall Administration Building in the maximum not-to-exceed amount of \$18,750.
- F. Approval to correct the renewal term in Board Motion 11.1-03(E) from “Approval to Enter into the 2nd Annual Renewal” to “Approval to Enter into a New Agreement” with Morris Architects for professional services to provide architectural/engineering and interior design services for various FY 2012

projects at facilities throughout the Hospital District in the estimated not-to-exceed amount of \$200,000.

- G. Approval to correct the renewal term in Board Motion 11.1-03(B) from “Approval to Enter into the 3rd Annual Renewal” to “Approval to Enter into the 2nd Annual Renewal” for 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.
- H. Approval to correct the renewal term in Board Motion 11.1-03(F) from “Approval to Enter into the 3rd Annual Renewal” to “Approval to Enter into a New Agreement” with ME Design Architectural Group, Inc. for professional services 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.
- I. Approval to correct the renewal term in Board Motion 11.1-03(D) from “Approval to Enter into the 2nd Annual Renewal” to “Approval to Enter into a New Professional Services Agreement” with Indenture Design to provide interior design services for various FY 2012 projects at facilities throughout the Hospital District in the estimated not-to-exceed amount of \$100,000.
- J. Approval to correct the “Not-to-Exceed” Amount of \$132,700 to \$143,100 in Board Motion 10.10-150(H) that authorizes the Hospital District to enter into Amendment No. 2 of the agreement with HDR (Henning son, Durham, & Richardson) Studio Red for additional services and to expand current scope of services of the existing architectural/engineering agreement for the renovation of the Old Ben Taub Project.
- K. Approval to dissolve the Commission Recapture Agreement with BNY Plan Services as it relates to the District Sponsored Pension Plan.
- L. Ratification of the submission of application for Grant Project Number 24830-01 (Responding to Victims of Sexual Assault and Domestic Violence) to the Office of the Governor, Criminal Justice Division.
- M. Ratification of the submission of application for Grant Project Number 2474701 (Enhancing On-Site Medical and Forensic Services for Victims of Crime) to the Office of the Governor, Criminal Justice Division.

V. Reports of the Committees

A. Budget and Finance Committee

Mr. Norby presented the March 2011 Financial Report. He noted that performance continues to be consistent with trends over the last couple of months. Mr. Norby reviewed the statistical highlights. He noted that the DSH/UPL shows a positive variance at this time. Total HCHD net revenue is positive by \$1.4 million from budget estimates. He stated that \$12.3 million has been received from the tobacco

distribution. A portion of this is shared with the county. The net result is a slight shortfall from the amount budgeted. Discussion ensued. Dr. Santos noted that we need a better measure for district-wide FTE allocations. Dr. Varadhachary reminded the staff that service line allocations had been promised at least six months ago. He further stated that product-line measurements would probably be more valuable than facility-specific data. Mr. Norby promised a quarterly report that will give the board this kind of information. Ms. Truesdell noted that the board would be interested in seeing information on efficiency of clinics staffed by different medical providers. A copy of the report is available in the permanent record.

1. Motion 11.4-51

Moved by Dr. Varadhachary, seconded by Ms. Spinks, and unanimously passed, that the Board accept the March 2011 Financial Report subject to audit.

Mr. Norby presented the March 2011 Pension Plan Report. The plan is currently 82% funded. This drop of 2% correlates with the pension plan disbursements. A copy of the report is available in the permanent record.

2. Motion 11.4-52

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board accept the March 2011 Pension Plan Report.

B. PI & Patient Safety Committee

Report of the PI & Patient Safety Committee

Dr. Santos presented the report of the PI & Patient Safety Committee. He noted that a report was not included in the meeting packet. He asked that this report be made a part of the presentation to the full board on a monthly basis in the future.

Dr. Santos reviewed the committee discussions. He noted that the full Board is not the place for a detailed analysis of the data. He further noted that HCHD is moving away from long delays in reporting. Data will be collected monthly and reported. This makes the discussion relevant. HCHD is in the process of a major re-vamp of the performance and quality reporting process. Ms. Truesdell supported Dr. Santos in asking for a high level scorecard to be brought to the full Board monthly. Mr. Lopez further noted that the plan for a full redesign will be brought to the Board in the near future. Mr. Franklin asked that Administration come back with this plan in a timely manner and, if they are not able to keep this timeline, they so report. Dr. Santos added that he is monitoring this. It will be presented to the committees and then the full Board in June.

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 Committee report. He updated the Board on activities taking place in Austin as the legislature meets. Mr. Finder asked for an explanation of the 'provider tax' that is being discussed. Mr. Lopez provided an overview – noting that it gives “everyone skin in the game” instead of putting the burden on the nine public hospitals. Ms. Truesdell asked if there is a difference in whether this is a 'fee' or a 'tax'. Mr. Hillier added that they are being told they will be back in Austin in June and July for additional legislative sessions. Mr. Lopez added that the givens are: (1) there is a deficit; (2) status quo is not going to be maintained, (3) they will expand Medicaid Managed Care to the Valley; (4) there will be no hospital carve out. The waiver becomes an option to protect our funding.

VI. Miscellaneous Agenda Items

Motion 11.4-53

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board accept the resignation of Lawrence Finder from Community Health Choice, Inc.'s Board of Directors.

Mr. DonCarlos asked his board members to let him know if they would be interested in serving on this Board. Mr. Lopez added that it would be helpful to have additional HCHD Board Member representation. Ms. Truesdell stated that if members are selected from the community, it could help to educate the community on the CHC and the HCHD.

VII. President/Chief Executive Officer's Report to Include: 1) Emergency Medicine Residency Program – Ben Taub General Hospital; 2) Accountable Care Organization (ACO) Update: Rules & Regulations; 3) Revenue Cycle Update; and 4) Biometric Patient Identification

Emergency Medicine Residency Program – Ben Taub General Hospital

Dr. Skeltzen Hoxhaj, Service Chief for the BTGH EC, presented the Emergency Medicine Residency Program Report. He thanked the Board for their support through the last year. Discussion ensued. Dr. Varadhachary asked how this good data on stroke and heart attack care can be shared with the community. Dr. Kathuria noted that Baylor is proud of this program and the partnership with the Hospital District. Mr. Lopez added that as HCHD rolls out their marketing plan this will be a part of that community presentation. A copy of the report is available in the permanent record.

Accountable Care Organization (ACO) Update: Rules & Regulations

Ms. Beth Cloyd presented the Accountable Care Organization update. Discussion ensued. Ms. Truesdell asked if this is actually implementable. Mr. Finder noted a concern about the legal issues. Dr. Varadhachary stated a review of the literature indicates that few believe this will provide cost savings; hence, he has a concern for its impact on the HCHD. Mr. Lopez stated that Administration will keep the Board abreast of the rules and regulations roll-out. He further noted that Administration does not believe the timeline will be met. A copy of the report is available in the permanent record.

Revenue Cycle Update

Mr. Norby and his staff presented the Revenue Cycle Update. Mr. Norby introduced Mr. Mike Hill, Senior Vice President for Revenue Cycle. Mr. Hill referred to page 6 of the presentation. He noted that this shows an upward trend and HCHD anticipates this trend to continue. The report shows that applications are now adjudicated in less than 14 days. Medicaid applications are referred to HHSC who have 45 days to act on these applications. During this time, the patients continue to receive care. The report showed a decline in the number of coded accounts pending. This was outsourced to a third party coding agency (Maxim) to catch up – but it will soon come back in-house. The HCHD coding error rate goal is less than 5%. Currently formal training and certification of all outpatient coders is taking place. Fifty percent of outpatient coders have obtained certification. An upward trend in claims filed is seen in the report. The overall result is increased revenue. Discussion ensued. A copy of the presentation is available in the permanent record.

Biometric Patient Identification

Mr. Tim Tindle presented the Biometric Patient Identification Report. The system was rolled out to MLK Clinic, El Franco Lee Clinic, Acres Home Clinic, and LBJGH EC and inpatient on a trial basis. Mr. Tindle noted that this is roughly ten times more accurate than a fingerprint. Ms. Truesdell asked if there has been any push back from our patient population. This technology is not used by the criminal justice system and is a relatively cheap application. We have only had two patients to date who had a problem with this new registration tool. The cost is approximately 3 cents per use. As the volume goes up, the cost goes down. The board expressed a concern whether this system will have an incremental additional cost on a go-forward basis. Dr. Varadhachary asked about sanitary/infection concerns associated with the use of the device. He was informed that the “screen” is wiped clean after each use. A copy of the report is available in the permanent record.

VIII. Executive Session

At 11:32 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 Section 071. Mr. DonCarlos stated that the regular meeting of the Board would reconvene at the close of Executive Session.

Mr. Wortham left the meeting prior to Executive Session. Mr. Finder did not enter, nor take part in Executive Session.

IX. Reconvene

At 12:11 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 Outside Legal Counsel regarding Claims against Southwestern Bell Telephone Company and other Responsible Parties relating to Unauthorized Municipal Charges and Associated State and Local Taxes pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter upon Return to Open Session.

Motion 11.4-54

The Harris County Hospital District ("District"), by and through its Board of Managers, on May 27, 2010, previously approved a Board Resolution (Motion No. 10.5-84) authorizing the County Attorney and special counsel Thomas R. Bray, Edward J. Hennessy and J. Marcus Hill, to take such actions as they deem necessary on behalf of the District, pursuant to the terms of an "Agreement for Special Counsel to represent the District" dated March 25, 2010 and accepted by the County Attorney. This representation relates to claims against Southwestern Bell Telephone Company and other responsible parties relating to unauthorized municipal charges assessed against the District.

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously adopted that the District, by and through its Board of Managers, approves and hereby clarifies that the County Attorney and Special Counsel named herein are authorized to pursue claims against Southwestern Bell Telephone Company and other responsible parties relating to unauthorized municipal charges and any associated state and local taxes, from October 1, 1991 through February 2000, including resulting litigation such as Public Utility Commission Complaints and Appeals relating to such Complaints. David S. Lopez, President/CEO is authorized to execute any agreement or other necessary documents to affect this action.

- C. Consultation with the County Attorney regarding the settlement of Cause No. 974,836; *Patricia Padilla v. Harris County Hospital District*; In the County Civil Court at Law #2 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 11.4-55

Moved by Ms. Spinks, seconded by Mr. Franklin, and unanimously adopted that the Harris County Hospital District, by and through its Board of Managers, approves and hereby authorizes the settlement of Cause No. 974,836; *Patricia Padilla v. Harris County Hospital District*; In the County Civil Court at Law #2, Harris County, Texas in the amount not to exceed \$7,000.00 payable to Patricia Padilla and her attorneys, Stern, Miller & Higdon. 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 Civil Action No. 4:10-cv-05180; *Edith Ihegword, et al v. Harris County Hospital District*; In the United States 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 11.4-56

Moved by Ms. Spinks, seconded by Mr. Franklin, and unanimously passed that the Board authorize the County Attorney to engage Haynes and Boone, LLP to represent the District in *Edith Ihegword, et al v. Harris County Hospital District*, in the United States District Court for the Southern District of Texas Houston Division at an amount not to exceed \$100,000.

X. Adjournment

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

There being no further business, the meeting adjourned at 12:15 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 April 28, 2011.

Mr. Stephen DonCarlos, Chair
Board of Managers

Mr. E. Dale Wortham, Secretary

Recorded by Ottley Sims