



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

**Thursday, May 26, 2011**

**Board Room – Administration Building**

**BOARD MEMBERS PRESENT**

Mr. Stephen DonCarlos, Chair  
Ms. Carolyn Truesdell, Vice Chair  
Mr. E. Dale Wortham, Secretary  
Dr. Atul Varadhachary  
Mr. Elvin Franklin, Jr. (arrived at 9:15 a.m.)  
Mr. Lawrence Finder (left at 11:15 a.m.)  
Ms. Daisy Stiner

**BOARD MEMBERS ABSENT**

Dr. George Santos  
Ms. Mary Spinks

**OTHERS PRESENT**

Mr. David Lopez, President & Chief Executive Officer  
Mr. George Masi, Chief Operating Officer  
Mr. Kelly Johnson, Harris County Purchasing Agent  
Ms. Vivian Groce, Harris County Assistant Purchasing Agent  
Mercedes Leal, County Attorney's Office  
Dr. Matthew Wall, Chairman, Medical Executive Board  
Ms. Peggy Boice, Judge Ed Emmett's Office  
Ms. Elizabeth Neal, Commissioner Jerry Eversole's Office  
Mr. Mark Fury, Commissioner Steve Radack's Office  
Mr. Lester Byrd, Commissioner El Franco Lee's Office (10:00 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 11.5-57**

Moved by Ms. Truesdell, seconded by Dr. Varadhachary, and unanimously passed, that the Board approve the minutes of the April 28, 2011 Board of Managers Meeting (as amended), April 28, 2011 Called Board Meeting, March 21, 2011 Called Board meeting, and the February 24, 2011 Public Budget Hearing.

## **III. Hear from Citizens**

No citizens addressed the Board.

Agenda Item VIII was addressed out of order.

Agenda Item V.E. was addressed out of order.

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

Items A1k and A2c were withdrawn from the agenda.

### **Motion 11.5-58**

Moved by Ms. Stiner, seconded by Mr. Franklin, and unanimously passed, that the Board approve items IV.A1a to IV.A1x (with the exception of A1k).

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

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

- a. award on the basis of lowest priced proposal for OfficeMax for general office supplies and related paper products in the estimated amount of \$2,000,000 for a one-year initial term with four one-year renewal options.
- b. approve funding for the fourth year of a five-year agreement for Abbott Laboratories, Inc. (PP-LA-236 fka PP-LA-162) for I-STAT blood gas analyzers in the estimated amount of \$1,615,016 for the term August 1, 2011 through July 31, 2012.
- c. approve the second of three renewal options for Olympus America, Inc. – Medical Systems Group (PP-OR-505) for equipment repair and maintenance program for endoscopy and video equipment in the estimated amount of \$550,597 for the term July 9, 2011 through July 8, 2012.
- d. approve the first of four renewal options for Cardinal Health for fecal occult blood immunochemical methodology, reagents, consumables and service in the estimated amount of \$381,264 for the term July 1, 2011 through June 30, 2012.
- e. approve additional funds and an extension for Bio-Rad Laboratories, Inc. for two whole blood analyzers, reagents and consumables for A1c testing and variant hemoglobin tests in the estimated additional amount of \$24,000

- for the extended term of July 1, 2011 through September 30, 2011 (Board previously approved funds in the amount of \$166,000 for the term October 1, 2009 through June 30, 2011).
- f. approve an assignment of contract for Tri-Path Imaging, Inc. (assignor) and BD Diagnostics – Women’s Health and Cancer (assignee) for cytology thin-layer slide preparation system including reagents and supplies in the estimated amount of \$395,000 for the term November 1, 2010 through October 31, 2011.
  - g. approve purchase on the basis of product standardization for Philips Healthcare (PP-MM-061) for physiological monitoring systems in the amount of \$299,365.
  - h. approve the first of four renewal options for The Gordian Group, Inc. for consulting services for job order contracting management system in the estimated amount of \$275,000 for the term August 10, 2011 through August 9, 2012.
  - i. approve the first of four renewal options for Milam & Co. Painting, Inc. (primary) and Teko Contractors (secondary) for paint and sheetrock maintenance services in the estimated amount of \$586,642 for the term June 22, 2011 through June 21, 2012.
  - j. approve funding for the fourth year of a five year agreement for Xerox (PP-IT-048 fka PP-IT-211) for operation of the Copy Center in the estimated amount of \$296,570 for the term July 1, 2011 through June 30, 2012.
  - k. WITHDRAWN.
  - l. ratify utilization for Advanced Health Education Center Ltd. dba MEDRelief Staffing, Medical Contracting Services, Inc., and RTG Medical for registered and state certified radiography temporary personnel in the estimated amount of \$131,000 for the term April 10, 2011 through April 9, 2012.
  - m. ratify funding on the basis of product standardization for Koch Filter Corporation (PP-FA-164) for air filtration products in the estimated amount of \$171,003 for the term May 1, 2011 through April 30, 2012.
  - n. ratify purchase on the basis of best contract for The St. John Companies, Inc. for labels, ID bands and related products in the estimated amount of \$166,599 for the term April 1, 2011 through March 31, 2012.
  - o. ratify additional funds and an extension for Masimo Americas, Inc. through Cardinal Health (PP-NS-540 fka PP-NS-347) for pulse oximetry devices in the estimated additional amount of \$449,957 for the extended term April 12, 2011 through October 11, 2011 (Board previously approved funds in the amount of \$873,702 for the term April 12, 2010 through April 11, 2011).

- p. ratify purchase on the basis of best contract for Sammons Preston Rolyan (PP-NS-632) for physical therapy products in the estimated amount of \$130,814 for the term May 1, 2011 through April 30, 2012.
- q. ratify additional funds and an extension for KCI, Inc. (PP-NS-651 fka PP-NS-438) for negative pressure wound therapy products (inpatient) in the additional amount of \$517,656 for the extended term March 1, 2011 through August 31, 2011.
- r. ratify purchase as an exception to the Harris County Hospital District Purchasing Manual bid requirements for KCI, Inc. for negative pressure wound therapy products (outpatient) in the estimated additional amount of \$359,524 for the term March 1, 2011 through August 31, 2011 (Board previously approved funds in the amount of \$838,889 for the term January 1, 2010 through February 28, 2011).
- s. ratify additional funds and an extension for Shared Technologies, Inc. for maintenance of telephone and voice communication systems in the additional amount of \$170,026 for the extended term March 1, 2011 through May 31, 2011 (Board previously approved funds in the amount of \$836,500 for the term March 1, 2010 through February 28, 2011).
- t. ratify the third of four renewal options for Iron Mountain Record Management for offsite storage and maintenance of medical records, x-ray film and retrieval services in the estimated amount of \$1,400,000 for the term May 1, 2011 through April 30, 2012.
- u. approve additional funds for Adil Business Systems, Inc. (Category 2), Computer Task Group, Inc. (Category 1), Elite Computer Consultants, L.P. dba ECOM (Category 2), Idea Integration Corp. (Categories 1 and 7), International Business Machines Corporation (IBM) (Category 5), Nash Holdings, LLC dba Endeavor Management (Category 6), Nimble Services, Inc. (Category 7), and Onur Ulgen, Inc. dba Production Modeling Corp (Category 6) for Information Technology consulting/contracting in the estimated additional amount of \$1,475,020 for the term September 1, 2010 through August 31, 2011 (Board previously approved funds in the amount of \$2,880,104 for the term September 1, 2010 through August 31, 2011).
- v. approve the second of four renewal options for Adil Business Systems, Inc. (Category 2), Computer Task Group, Inc. (Category 1), Elite Computer Consultants, L.P. dba ECOM (Category 2), Idea Integration Corp. (Categories 1 and 7), International Business Machines Corporation (IBM) (Category 5), Nash Holdings, LLC dba Endeavor Management (Category 6), Nimble Services, Inc. (Category 7), and Onur Ulgen, Inc. dba Production Modeling Corp (Category 6) for Information Technology

consulting/contracting in the estimated amount of \$1,404,127 for the term September 1, 2011 through August 31, 2012.

- w. approve additional funds for Good Shepherd Home Health Services and Star Home Health, Inc. for comprehensive home health care services in the estimated additional amount of \$200,000 for the term July 1, 2010 through June 30, 2011 (Board previously approved funds in the amount of \$900,000 for the term July 1, 2010 through June 30, 2011).
- x. approve the second of four renewal options for Eclipsys Corporation for financial decision support software system in the estimated amount of \$112,143 for the term June 30, 2011 through June 29, 2012.

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

- a. transmittal of purchase on the basis of lowest priced contract for Physio-Control Inc., a division of Medtronic USA, Inc. for external defibrillators in the amount of \$57,120.
- b. transmittal of corrected term for Ropes and Gray, LLP for consulting services related to primary care clinics and federally qualified health centers to March 21, 2011 through March 20, 2012 (corrected term) from March 7, 2011 through March 6, 2012 (as approved).
- c. WITHDRAWN.
- d. transmittal of additional funds and an extension on the basis of sole source for Hill-Rom Company, Inc. for maintenance service for WatchChild Obstetrical Patient Data Management System Software in the additional amount of \$22,530 for the extended term July 1, 2011 through September 30, 2011 (Board previously approved funds in the amount of \$75,100 for the term July 1, 2010 through June 30, 2011).
- e. transmittal of purchase on the basis of sole source for CA, Inc. (CA) for virtual assurance for infrastructure management software module in the estimated amount of \$88,700 for a one year initial term with two one-year automatic renewals.
- f. transmittal of purchase on the basis of low quote for CDW-Government to provide 511 electronic signature pads for the Community Health Program in the amount of \$74,259.
- g. transmittal of additional funds and an extension for Lepow Podiatric Medical Associates, LLP for outsourcing of podiatry services in the additional amount of \$98,016 for the extended term May 1, 2011 through June 30, 2011 (Board previously approved funds in the amount of \$588,092 for the term May 1, 2010 through April 30, 2011).

**Motion 11.5-59**

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

- B. Approval of Termination of the Interlocal Agreement with the Harris County Office of Financial Services for Commercial Paper Program Administrative Services.
- C. Approval of Correction of Motion #11.3-34 (F) and Minutes regarding Scope of Services in the Health Care for the Homeless Program Contract.
- D. Approval of an Amendment to the Agreement between the Harris County Hospital District and The Resource Group, Inc., funded by Ryan White Part D to include the Purchase of Medical Equipment.
- E. Approval to Enter into a 2<sup>nd</sup> Amendment to the Lease Agreement between Harris County and Harris County Hospital District for Approximately 60,000 Square Feet of Space for the Thomas Street Clinic to Extend the Term to June 30, 2015.
- F. Approval for the Hospital District's Dedication of Road Easement with Metes and Bounds Description of a 0.0001 of One Acre (3 Square Feet) Tract of Land Situated in the John Holloway Survey, Abstract 339, Harris County, Texas, being out of the Southwesterly Corner of Unrestricted Reserve "A", Block 1 of HCHD Martin Luther King Health and Eligibility Clinic for use as a Public Right-of-Way.

**V. Reports of the Committees**

**A. Joint Conference Committee**

Dr. Matthew Wall presented the credentialing changes for members of the HCHD medical staff for March 2011. Discussion ensued regarding the credentialing changes for the medical staff. Discussion further ensued regarding the difference between those who failed to reappoint and those who resign. A copy of the report is available in the permanent record.

**1. Motion 11.5-60**

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

Dr. Matthew Wall presented the Medical Board Report from the May Medical Executive Board meeting. It was noted that the date on the report was wrong. A copy of the report is available in the permanent record.

**2. Motion 11.5-61**

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

**Motion 11.5-62**

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Board approve agenda items V.A.3-V.A.7.

3. Consideration of Approval regarding Replacement of General Surgery Clinical Privileges Forms for the Harris County Hospital District.
4. Consideration of Approval regarding Replacement of Hematology/Oncology Clinical Privileges Forms for the Harris County Hospital District.
5. Consideration of Approval regarding Replacement of Oral & Maxillofacial Surgery Clinical Privileges Forms for the Harris County Hospital District.
6. Consideration of Approval regarding Replacement of Pathology and Laboratory Medicine Service Clinical Privileges Forms for the Harris County Hospital District.
7. Consideration of Approval regarding Replacement of Podiatry Clinical Privileges Forms for the Harris County Hospital District.

Dr. Wall announced that Dr. Steve Brown would be leaving the District to take a new position out of state. Dr. Brown addressed the Board, stating that he has appreciated the opportunity to work with them. He commended Mr. Lopez and his leadership team for the support shown to him as well as the medical school.

**B. Budget and Finance Committee**

Mr. Norby presented the April 2011 Financial Report. Net patient revenue is slightly below budget for the month of April and the payor mix is worse than budgeted. He stated that the tobacco settlement was received during April. Discussion ensued. A copy of the report is available in the permanent record.

**1. Motion 11.5-63**

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

Mr. Norby presented the April 2011 Pension Plan Report. The plan is 83.6% funded as of the end of April. A copy of the report is available in the permanent record.

**2. Motion 11.5-64**

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

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

#### 4. Presentation of the April 2011 Financial Statements of Community Health Choice, Inc.

Mr. Janda presented the March 2011 and April 2011 CHC Financial Reports. He stated that CHC will be dramatically impacted by the most recent legislative session. CHC is uncertain as to the potential loss since each health plan is being addressed individually. CHC has done well financially for March and April. They showed earnings of approximately \$1.1 million in March and \$1.6 million in April. They continue to be ahead of plan from a membership standpoint. Copies of the reports are available in the permanent record.

### **C. PI & Patient Safety Committee**

Review and Discussion regarding the Harris County Hospital District (HCHD) Quality Scorecard

Dr. Sutton addressed the report, stating that corrective action plans are in place where needed. An updated scorecard will be presented at the June 16, 2011 Joint Conference Committee. A copy of the report is available in the permanent record.

### **D. Corporate Compliance Committee**

#### **Motion 11.5-65**

Moved by Dr. Varadhachary, seconded by Mr. Franklin, and unanimously passed, that the Board approve agenda items V.D.1 and V.D.2

1. Approval of the Harris County Hospital District Policy – Sanctions for Failure to Comply with Privacy and Information Security Policies #3.11.104
2. Approval of the Harris County Hospital District Screening Ineligible Persons Policy #3.35.

### **E. 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 the Legislative Report. He stated that the budget was passed approximately one hour ago, and the final budget will be debated on Saturday (May 28, 2011). Article II (healthcare section) came out fairly well this time, but the legislature will be facing a similar situation for the next legislative session. Discussion ensued. Mr. Hillier stated that effective immediately, the Hospital District can hire physicians. Legislation that will allow the Hospital District to enter into agreements with FQHCs also was approved.



## **VI. Miscellaneous Agenda Items**

### **Motion 11.5-66**

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

- A. Approval of Amended Donor Institution Agreement with LifeGift Organ Donation Center.
- B. Acceptance of the Additional Award of \$106,114 to the Harris County Hospital District from the Department of State Health Services for Breast and Cervical Cancer Services (BCCS) for FY 2010-2011.

## **VII. President/Chief Executive Officer's Report to Include: 1) Ask Your Nurse Program; and 2) Dialogue with FQHCs**

The President/Chief Executive Officer's Report was postponed.

## **VIII. Executive Session**

At 9:08 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 072. Mr. DonCarlos stated that the regular meeting of the Board would reconvene at the close of Executive Session.

## **IX. Reconvene**

At 11:07 a.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 Settlement of Cause 2009-27935; *Deanna Bessard v. Harris County Hospital District*; In the 152<sup>nd</sup> 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 11.5-67**

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 and hereby authorizes the settlement of Cause No. 2009-27935; *Deanna Bessard v. Harris County Hospital District*; In the 152<sup>nd</sup> Judicial District Court of Harris County, Texas in an amount not to exceed \$16,000 payable to Deanna Bessard and her

attorneys Bickham Law, P.C. David S. Lopez, President/CEO is authorized to execute any agreement, release or other necessary documents to effect this settlement.

- C. Consideration of Conveyance of Real Property to METRO pursuant to Tex. Gov't Code Ann. §551.072 and Possible Action regarding this Matter upon Return to Open Session.

**Motion 11.5-68**

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

The Board of Managers of the Harris County Hospital District (the "Board") finds it in the best interest of the residents of Harris County, Texas that Harris County Hospital District sell and convey a 200 square foot parcel of land in the John Austin 2 League Grant, Abstract No. 1 City of Houston, Harris County, Texas, and more particularly described in Exhibit A (the "Tract"), to The Metropolitan Transit Authority of Harris County, Texas for the just compensation price of \$5,000.

Now, Therefore, Be it Resolved, that the Board of Managers authorizes all officials of the District to execute any documents necessary to accomplish the sale of the Tract to The Metropolitan Transit Authority of Harris County, Texas for the just compensation price of \$5,000.

**X. Adjournment**

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

There being no further business, the meeting adjourned at 11:36 a.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 May 26, 2011.

Mr. Stephen DonCarlos, Chair  
Board of Managers

Mr. E. Dale Wortham, Secretary

Recorded by Christie Reno