



**HARRIS HEALTH SYSTEM**  
**MINUTES OF THE BOARD OF MANAGERS MEETING**  
**Thursday, October 25, 2012**  
**Board Room – Administration Building**

**BOARD MEMBERS PRESENT**

Mr. Stephen DonCarlos, Chair  
Ms. Carolyn Truesdell, Vice Chair (9:17 a.m.)  
Mr. TJ Tijerina, Jr.  
Mr. Lawrence Finder  
Ms. Daisy Stiner  
Mr. Elvin Franklin, Jr.

**BOARD MEMBERS ABSENT**

Mr. E. Dale Wortham, Secretary  
Dr. George Santos  
Dr. Atul Varadhachary

**OTHERS PRESENT**

Mr. David Lopez, President & Chief Executive Officer  
Mr. Michael Norby, Chief Financial Officer  
Mr. Kelly Johnson, Harris County Purchasing Agent  
Ms. Vivian Groce, Harris County Assistant Purchasing Agent  
Attorney Mercedes Leal, County Attorney's Office  
Ms. Peggy Boice, Judge Ed Emmett's Office  
Ms. Monica De La Rosa, Commissioner El Franco Lee's Office  
Ms. Elizabeth Neal, Commissioner Jack Cagle's Office  
Mr. Mark Fury, Commissioner Steve Radack's Office  
Dr. John Burruss, AMS  
Dr. Matthew Wall, Chairman, Medical Executive Board  
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 9:09 a.m. and noted that a quorum was present. The attendance was recorded.

**II. Approval of Minutes of Previous Meeting**

**Motion 12.10-123**

Moved by Mr. Tijerina, seconded by Mr. Franklin, and unanimously passed, that the Board approve the minutes of the September 27, 2012 Board of Managers meeting.

**III. Comments from Dr. Klotman (Baylor College of Medicine President and CEO) and Dr. Colasurdo (UTHealth President *ad interim*)**

Mr. DonCarlos welcomed Drs. Klotman and Colasurdo.

Dr. Klotman addressed the Board, stating that they are entering the 25<sup>th</sup> anniversary of AMS. Baylor has had a great relationship with the county hospital system during this time and it is with enormous pride that they have this relationship. He reviewed some of the highlights of the collaboration between Harris Health System and both medical schools. He expressed concern regarding HCHD removing the wording education from its mission statement years ago. This concern has been voiced by both medical schools. There are also concerns with physician satisfaction rates, which is an issue since much of the medical staff do not feel they are valued. Discussion ensued.

Dr. Colasurdo addressed the Board, stating that they exist because of the large training program. He also reviewed many highlights of the collaboration between Harris Health System and the medical schools. He echoed Dr. Klotman's concerns regarding the mission statement. Significant discussion ensued regarding the relationship between Harris Health and the medical schools.

Mr. Finder stated that he would like to see both Drs. Klotman and Colasurdo appear before the Board more often. The organizations are partners and should work as closely as possible together. Significant discussion ensued regarding the mission and vision statement. Ms. Stiner asked that Drs. Klotman and Colasurdo summarize any issues that they have concern over and submit it to the Board. Mr. Lopez stated that the partnership with both schools is critically important. He further stated that they can revisit the mission and vision statement.

**IV. Announcements/Special Presentations**

Mr. DonCarlos announced that Mr. Franklin has been reappointed to the Board for another two years.

It was announced that Dr. Jose Garcia was awarded the CHILDREN AT RISK Child Health Advocacy Award. Dr. Dyer introduced Dr. Angelo Giardino, Chair, CHILDREN AT RISK Institute and Ms. Mandi Kimball, Director, Public Policy and Governmental Affairs, CHILDREN AT RISK Institute. Dr. Giardino stated that it was a delight for CHILDREN AT RISK to recognize Dr. Garcia as an outstanding advocate for the health needs of children. Dr. Garcia thanked Dr. Giardino for the award. He stated that he applauds the work of CHILDREN AT RISK for placing children as a priority. He also thanked Dr. Tucker, Ms. Cloyd, Ms. Reece, and all LBJ staff for providing such compassionate care.

A CNN blog and video featuring Dr. Alyssa Rieber, Chief of Oncology, LBJGH, was shown. The Board recognized Dr. Rieber for her dedication and great work.

**V. Hear from Citizens**

*Mr. Ken Hazard* from Bio-Rad Laboratories, Inc. addressed the Board regarding a purchasing item from the September 27, 2012 Board of Managers meeting. Bio-Rad Laboratories was a bidder for that item and he asked the Board to consider having the bid redone.

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

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

Mr. Tijerina addressed item A1aa (mold remediation and rebuild at LBJ), stating that he did not recall seeing a bid process. Ms. Truesdell noted that this is a ratification of an emergency bid

process. Mr. Staley stated that mold was found during the semi-private room conversion project.

Mr. Tijerina addressed item A2b (UHY Advisors TX, LLC for risk assessment and counseling services), asking what was being assessed. Ms. Foy stated that this firm helped with a risk assessment of all operations. Mr. Tijerina asked if these findings would come to the Board. Mr. Lopez stated that operational audits will come to the Board if they change the way operations are done.

Mr. Tijerina addressed item A2l (electronic signature pads), asking if these were mobile or stationary. Mr. Tindle stated that they are stationary and located in areas such as registration desks.

**Motion 12.10-124**

Moved by Mr. Franklin, seconded by Ms. Stiner, and unanimously passed, that the Board approve items IV.A1a to IV.A1ee (with the exception of A1g, which was withdrawn).

A. Items related to Purchasing

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

- a. approve the third 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 \$1,413,000 for the term November 16, 2012 through November 15, 2013.
- b. approve an exemption from the competitive bid requirements for Mary Schneider for liaison for intergovernmental affairs in the estimated amount of \$150,000 for the term November 3, 2012 through November 2, 2013.
- c. approve an exemption from the competitive bid requirements for Baylor College of Medicine for primary health services through the Healthcare for the Homeless Program in the estimated amount of \$190,500 (HRSA Grant Funds) for the term November 1, 2012 through October 31, 2013.
- d. approve the first of four renewal options for TH Healthcare Ltd. dba Park Plaza Hospital for radiation therapy in the estimated amount of \$350,000 for the term January 1, 2013 through December 31, 2013.
- e. approve the third of four renewal options for Performance Management Services, Inc. for nursing competency assessment system in the estimated amount of \$187,000 for the term December 1, 2012 through November 30, 2013.
- f. ratify the second of four renewal options for A-1 Personnel of Houston, Inc., Elite Personnel Consultants, Inc. dba Evins Temporaries, At Work Staffing, Inc., ExecuTeam Staffing, and Resource Staffing Houston, Inc. to provide temporary staffing for various departments in the estimated amount of \$231,000 (Harris Health System only) for the term October 12, 2012 through October 11, 2013.
- g. WITHDRAWN.
- h. award on the basis of best proposal meeting requirements for JI Specialty Services, Inc. for Workers' Compensation Third Party Administration and associated services in the estimated amount of \$149,545 for a three-year initial term with two one-year renewal options.

- i. award on the basis of highest overall evaluation for Miner-Dederick Construction, LLP to provide a Construction Manager at Risk for the Emergency Center Phase 2 Project at Ben Taub General Hospital in the amount of \$1,327,500.
- j. award for Morris Architects to provide design services for the Ben Taub General Hospital and Lyndon B. Johnson General Hospital Semi-Private Room Conversion Project in the amount of \$305,707.
- k. approve renewal on the basis of sole source for 3M Health Information Systems, Inc. for 3M software license and maintenance in the estimated amount of \$357,785 for the term October 28, 2012 through October 27, 2013.
- l. award on the basis of only bid received for Set Solutions, Inc. for Privacy Breach Detection Software in the amount of \$152,996 for the term October 1, 2012 through September 30, 2013.
- m. approve the first of four renewal options for Lone Star Uniforms, Inc. for dress uniforms and related items in the estimated amount of \$100,000 for the term December 1, 2012 through November 30, 2013.
- n. ratify third year of funding for GPO contract for Sage Products, Inc. (PP-NS-598) to provide bag based cleansing wipes and shampoo caps for patients in the estimated amount of \$325,727 for the term September 1, 2012 through August 31, 2013.
- o. approve third year funding for GPO contract for Cardinal Health 200, LLC (PP-OR-627) for surgeon gloves in the estimated amount of \$324,945 for the term December 1, 2012 through November 30, 2013.
- p. ratify second year funding for GPO contract for Cardinal Health 200, LLC (PP-NS-591) for exam gloves in the estimated amount of \$1,189,988 for the term October 1, 2012 through September 30, 2013.
- q. approve second year funding for GPO contract for Tyco Healthcare Group, LP The Kendall Co. (PP-NS-675) for incontinence products in the estimated amount of \$334,311 for the term December 1, 2012 through November 30, 2013.
- r. ratify second year funding for GPO contract for Merit Medical Systems, Inc. (PP-CA-175)- \$16,217, Abbott Vascular Devices (PP-CA-171) - \$84,985, and Boston Scientific Company (PP-CA-172) – \$158,126 for diagnostic and interventional cardiology products in the total multi-vendor estimated amount of \$259,328 for the term February 1, 2012 through January 31, 2013.
- s. approve renewal for Harris County for Cooperative Purchasing Program at no cost for the term October 12, 2012 through October 11, 2013.
- t. approve third year funding for GPO contract for Cardinal Health 200, LLC (PP-OR-481) for custom procedure trays/packs, gowns and related products in the estimated amount of \$3,099,020 for the term November 1, 2012 through October 31, 2013.
- u. approve the first of four renewal options for OfficeMax<sup>®</sup> for general office supplies and related paper products in the estimated amount of \$1,800,000 for the term January 1, 2013 through December 31, 2013.
- v. approve the third of four renewal options for Tri-Path Imaging, Inc. through BD Diagnostics, Women's Health and Cancer for cytology thin-layer slide

preparation system including reagents and supplies in the estimated amount of \$396,000 for the term November 1, 2012 through October 31, 2013.

- w. approve additional budgeted funds and an extension for bioMerieux, Inc. (PP-LA-276) for automated blood culture in the additional budgeted amount of \$123,843 for the extended term November 1, 2012 through April 30, 2013 (Board previously approved funds in the amount of \$447,869 for the term May 1, 2011 through October 31, 2012).
- x. award for laboratory testing services provided by the Harris County Hospital District (dba Harris Health System) for the Harris County Institute of Forensic Sciences in the estimated additional revenue amount of \$20,000 for the term July 1, 2011 through June 30, 2012 (Board previously approved revenue in the amount of \$27,500 for the same term).
- y. award for laboratory testing services provided by the Harris County Hospital District (dba Harris Health System) for the Harris County Institute of Forensic Sciences in the estimated revenue amount of \$40,000 upon Commissioners Court approval through June 30, 2013 with one one-year renewal option.
- z. award on the basis of lowest priced proposal meeting requirements for Grainger to provide maintenance, repair and operation (MRO) equipment, supplies and related items in the estimated amount of \$997,500 for a one-year initial term with four one-year renewal options.
- aa. ratify an emergency purchase for Cotton Commercial USA, Inc. for mold remediation and rebuild at LBJ in the amount of \$92,853.
- bb. award on the basis of low bid for HTS Texas for inspection and maintenance repair of chillers and related items in the amount of \$164,765 for the term November 1, 2012 through October 31, 2013 with four one-year renewal options.
- cc. award on the basis of product standardization for Stryker Medical (PP-MM-090) to provide 61 big wheel stretchers in the amount of \$309,790.
- dd. award on the basis of lowest priced proposal for support services for sterilization equipment in the estimated amount of \$103,074 for a one-year initial term with four one-year renewal options.
- ee. award on the basis of lowest priced contract for GE Healthcare for fetal heart rate monitors and telemetry systems in the amount of \$828,183.

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

- a. transmittal of award on the basis of best proposal meeting requirements for Marsh USA, Inc. for actuarial and general risk management services for the Harris County Hospital District Self-Insured Workers' Compensation Program in the estimated amount of \$50,500 for a one-year initial term with four one-year renewal options.
- b. transmittal of exemption from the competitive bid requirements for UHY Advisors TX, LLC for risk assessment and counseling services in the estimated amount of \$75,000 for a one-year initial term with two one-year renewal options.
- c. transmittal of purchase on the basis of best contract for Stryker Corporation (PP-OR-770) for consumables and equipment for liquid medical waste

management systems in the estimated amount of \$99,000 for a one-year initial term with three one-year renewal options.

- d. transmittal of award on the basis of low bid for Waste Management of Texas, Inc. for refuse removal services in the amount of \$83,891 (Harris Health System only) for the term October 1, 2012 through September 30, 2013 with four one-year renewal options.
- e. transmittal of second year funding for GPO contract for Welch Allyn, Inc. (PP-NS-667) to provide electronic oral, rectal and ear thermometers in the estimated amount of \$52,789 for the term July 1, 2012 through June 30, 2013.
- f. transmittal of second year funding for GPO contract for Kimberly-Clark Corporation (PP-OR-757) for sterilization wrap in the estimated amount of \$76,475 for the term September 1, 2012 through August 31, 2013.
- g. transmittal of third year funding for GPO contract for 3M Company (PP-OR-679) for casting and splinting products in the estimated amount of \$63,000 for the term November 1, 2012 through October 31, 2013.
- h. transmittal of purchase on the basis of best contracts for 3M Corporation (PP-OR-849) - \$24,841 (Item 4) and CareFusion 2200, Inc. (PP-OR-850) - \$33,931 (Items 1-3) for surgical hand preps in the estimated multi-vendor amount of \$58,772 for the term July 1, 2012 through June 30, 2013.
- i. transmittal of additional budgeted funds for Olympus America Inc. – Medical Systems Group (PP-OR-778) for repair and maintenance of twenty-eight additional scopes in the estimated additional amount of \$81,266 for the term July 9, 2012 through July 8, 2013 (Board previously approved funds in the amount of \$604,191 for the same term).
- j. transmittal of additional budgeted funds for Shared Technologies, Inc. for maintenance of telephone and voice communication systems in the additional budgeted amount of \$82,742 for the term June 1, 2012 through May 31, 2013 (Board previously approved funds in the amount of \$833,467 for the same term).
- k. transmittal of exemption from the competitive bid requirements for Cisco Systems, Inc. for data center best practices implementation services in the estimated amount of \$57,750 for a one-year term upon execution of the agreement.
- l. transmittal on the basis of lowest quote for CDW Government, LLC for 420 electronic signature pads in the amount of \$63,512.
- m. transmittal of the fourth and final renewal option 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, 2012 through October 31, 2013.
- n. transmittal for Harrell Architects, LP to provide design services for the build out of the interior at the Bayland Clinic in the amount of \$10,000.
- o. transmittal of the third of four one-year renewal options for IDN Acme for locksmith supplies and related items in the estimated amount of \$10,000 for the term November 1, 2012 through October 31, 2013.

Ms. Truesdell addressed item V.M. (Corporate Compliance Committee Charter). A minor change will be made on item O in the policy.

Mr. Finder stated that there seems to be things in the charter that are not being done. He addressed a few areas such as review of the code of conduct, asking if that was a function of the Board or Corporate Compliance. Mr. Reeves stated that one of his functions is to review and bring it to the Board as reviewed. Significant discussion ensued. Questions were raised regarding items H, I, and J. Ms. Leal recommended reviewing the charters for the individual committees.

**Motion 12.10-125**

Moved by Mr. Franklin, seconded by Mr. Tijerina, and unanimously passed, that the Board approve agenda items V.B. – V.N.

- B. Approval of the Hospitalization Policy #4100.
- C. Ratification of the Agreement between the Harris County Hospital District and The Texas Department of State Health Services and acceptance of grant funding in an amount not-to-exceed \$45,500 for the term September 1, 2012 through August 31, 2013.
- D. Approval of a Grant Award from the United States Department of Health and Human Services Administration to the Harris County Hospital District funded under Special Projects of National Significance (SPNS) of the Ryan White HIV/AIDS Treatment Extension Act of 2009. The grant award is for the purpose of building a medical home for multiply diagnosed homeless HIV-infected individuals of Harris County. The amount of the grant award is \$300,000 for the term of September 1, 2012 through August 31, 2013.
- E. Approval to correct the monthly lease rate in Board Motion 12.7-89 (J.) to reflect the following; "Authorization to enter into the initial term of the 2nd five-year renewal option of the lease agreement with Petereit Investments, Inc., for approximately 15,232 square feet of space for the E.A. Squatty Lyons Health Center at the monthly rate of \$17,516.80 for the term October 1, 2012 through September 30, 2013.
- F. Authorization for the Hospital District to enter into the 8<sup>th</sup> term of the lease agreement between the Hospital District and the City of Houston for space located at the Riverside Health Center. The 8<sup>th</sup> term of the lease agreement is from February 1, 2013 through January 31, 2014. The total payment is \$10,001/year, which includes rent (\$1.00) plus a common area maintenance fee (\$10,000).
- G. Authorization for the Hospital District to enter into the 5<sup>th</sup> 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 5<sup>th</sup> term of the lease agreement is from December 1, 2012 to November 30, 2013 at a monthly rate of \$184,905.18 (\$2,218,862.16/year).
- H. Authorization for the Hospital District to enter into a new lease agreement with KIPP for 60 additional parking spaces for Peoples Health Center. The initial term of the lease begins November 1, 2012 to January 31, 2013 at a rate of \$20 per space (\$1200/month) with an option to continue leasing on a month-to-month basis as needed at the same terms and rate.
- I. Approval for the Hospital District to Grant, Sell, and Convey a Limited Blanket Easement for Permanent Underground Utilities on District-owned Property (11.4361 Acres Tract of Land Situated in the Pleasant W. Rose Survey, Abstract 645, Harris County, Texas) to CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Texas Gas Operations for the Construction of the Reactivation/Renovation of the Old Ben Taub Tower Project for a cost of \$1.00.

- J. Ratification of an Addendum to the Trust Agreement between the Harris County Hospital District and State Street Bank and Trust Company effective September 1, 2012.
- K. Approval of the Harris County Hospital District FY14 Monthly Healthcare Premium Rates.
- L. Approval of a First Amendment to Interlocal Agreement between the Harris County Hospital District dba Harris Health System and the City of Houston to permit City of Houston Department of Health and Human Services Breastfeeding Peer Counselors to provide counseling, education and support to pregnant or breastfeeding patients at Ben Taub General Hospital.
- M. Approval of the Harris Health System Board of Managers Corporate Compliance Committee Charter Policy #3.39
- N. Approval of the First Amendment to the Agreement with Fulbright & Jaworski, LLP.

## **VII. Reports of the Committees**

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

1. Acceptance of the Medical Executive Board Report.

Dr. Wall presented the Medical Executive Board Report for October 2012. He reviewed the report with the Board. Ms. Truesdell addressed the CHP Report, which addressed the El Franco Lee Pilot Program. She questioned what acute care clinics were at this facility. Ms. Stiner addressed the same section, requesting clarification on the new nursing model (40 new nurses). Dr. Brown stated that these are 40 nurses for a pilot program to better staff the CHCs allowing physicians to see patients in a timelier manner. The 40 additional staff are at 3 pilot centers, El Franco Lee, Acres, and Peoples. She noted that the report should not say acute care clinics. These are still hub clinics where primary care patients are seen. It should not reference acute care clinics. Ms. Truesdell asked if the 40 new positions were budgeted. Mr. Norby stated that this is part of budget development for 2014. One of the initiatives with the centers is to take and increase the average daily visit number. The purpose of the improved staffing model is to improve throughput for physicians and bring primary care visit volume up in the centers. If effective, it will be rolled out to additional centers. Ms. Truesdell stated that the Board needs to be informed of these types of things. Ms. Stiner asked if 40 additional nurses were being brought on in order to have a pilot program. Dr. Brown stated that they are in the process of recruiting, but have not hired them yet. Some will be from reallocating staff. Ms. Stiner addressed the temporary personnel contracts that come forward to supplement what is being done. She stated that she would like a report showing how well they are doing in hiring full time nursing staff and when they can look at the temporary contract to go in the opposite direction. The report should include efficiency and ratios needed to effectively support physician staff. Mr. Lopez stated that they would provide this information. One of the goals is to constantly reduce reliance on contract agency nursing staff. They may never be able to completely eliminate the need, but can manage it. Ms. Stiner asked that they include what ratio they are trying to move towards. The report will be presented at the December Board meeting. Discussion ensued. A copy of the report is available in the permanent record.

#### **Motion 12.10-126**

Moved by Ms. Truesdell, seconded by Ms. Stiner, and unanimously passed, that the Board accept the Medical Executive Board Report.

2. Approval regarding the Credentialing Changes for Members of the HCHD Medical Staff (October 2012).



3. Approval regarding the Credentialing Changes for Members of the HCHD Medical Staff (Pending Items, October 2012).

Dr. Wall presented the credentialing changes for members of the HCHD medical staff for October 2012. Discussion ensued. Copies of the reports are available in the permanent record.

**Motion 12.10-127**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve items VII.A.2. and VII.A.3.

**B. Budget and Finance Committee**

Mr. Norby presented the September 2012 Financial Report. He reviewed the executive summary with the Board. Adjusted patient days were 5.8% greater than budget with approximately 65% of the volume representing outpatient care, which is comparable to the previous year. A copy of the report is available in the permanent record.

1. **Motion 12.10-128**

Moved by Mr. Tijerina, seconded by Ms. Stiner, and unanimously passed, that the Board accept the September 2012 Financial Report subject to audit.

Mr. Norby presented the September 2012 Pension Plan Report. A copy of the report is available in the permanent record.

2. **Motion 12.10-129**

Moved by Mr. Tijerina, seconded by Mr. Finder, and unanimously passed, that the Board accept the September 2012 Pension Plan Report subject to audit.

3. Presentation of September 2012 Financial Statements and Background and Strategic Priorities of Community Health Choice, Inc.

Mr. Janda presented the September 2012 Financial Statements of Community Health Choice, Inc. Net loss for the month was \$1,695,437, which was due to the 5% premium rate reduction effective September 1, 2012. Net income for the year is \$12,503,404, which is 19% below budget. Total revenue was 1% below budget for the month and 5% above budget year-to-date. Administration expenses were 13% below budget for the month and 10% below budget year-to-date. A copy of the report is available in the permanent record.

**C. PI & Patient Safety Committee**

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

Dr. Sutton reviewed the Harris County Hospital District Quality Scorecard with the Board. He reviewed the executive summary, noting that an extensive review was done at committee level. Discussion ensued regarding pilots being done in the CHP. Average cycle time is being reviewed at MLK. Dr. Brown stated that next month's scorecard will reflect all numbers. Mr. Tijerina addressed automated calls to patients, asking if they received confirmation from the patient. Ms. Sanchez stated that the automated system allows the patient to choose if they want to cancel, but they do not actually confirm receipt. Dr. Brown stated that another pilot being done is the pre-visit huddle at Strawberry. A few days before the patient's visit, the list of prerequisites is reviewed to make sure the patient is ready for the appointment. There has been a drop in the no-

show rate as a result of this pilot and there are plans to implement it system wide. Discussion ensued. A copy of the report is available in the permanent record.

2. Review and Discussion on DNV Healthcare

Yehuda Dror, President of DNV Healthcare gave a presentation to the Board on DNV hospital accreditation. She presented the background, position, and values of DNV Healthcare. She reviewed the survey activities and survey team with the Board. Survey activities include a comprehensive review including observation of care/services provided to the patient in all patient care areas, both in and out, patient and/or family interviews, staff interviews, and medical record review. Using tracer methodology, department/patient unit visits are conducted to include staff interviews and open medical record review as appropriate (both clinical and support departments). There are also visits to non-clinical support areas and a comprehensive building tour. Ms. Beth York, Director of Quality, Methodist Hospital addressed the Methodist experience with DNV healthcare. Significant discussion ensued. Mr. Lopez stated that Harris Health is fully prepared to switch to DNV. Dr. Sutton stated that part of the process is getting together teams to train with internal people and possibly external people. Mr. Finder asked when the switch would be made. Dr. Sutton stated that it would be done before March, 2013. A copy of the presentation is available in the permanent record.

**D. Ad Hoc 1115 Waiver**

Discussion and Possible Action regarding the 1115 Waiver

Mr. Lopez addressed the 1115 waiver, stating that one of the concerns is that the 30% participation by private hospitals may be too low. Mr. Norby stated that there is not consistency across the regions and many privates have asked for a higher percentage of funds. Discussion ensued. Mr. Lopez stated that there is still uncertainty, which needs to be resolved. Discussion ensued. Mr. Tijerina noted that he hasn't seen much coverage in the media. Mr. Lopez stated that it has not been covered extensively because it is complicated. One must understand many factors such as DSH and UPL. The media has attempted to address it, but gets lost in a lot of nuances.

**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 not much has happened since the last meeting. He addressed the federal debt ceiling, stating that it would be late January or February before they saw anything. He briefly addressed the 1115 waiver. Mr. Finder asked if they were making contingency plans as this could impact everything. He stated that it is difficult to plan for something that has not happened, but questioned if they were thinking about ramifications of these possible outcomes. Mr. Finder stated that they have talked about possible scenarios in the past, and suggested possibly doing this again. Discussion ensued. Mr. Hillier stated that he would be bringing the legislative platform to the Board in next month.

**VIII. President/Chief Executive Officer's Report to Include Possible Action regarding: 1) Follow-up Items from Board Retreat (as necessary or appropriate)**

**Follow-up Items from Board Retreat**

Mr. Lopez addressed the follow-up items from the Board Retreat, stating that most have been covered throughout the meeting. Ms. Stiner asked that this item be kept on the agenda in the future.

**IX. Executive Session**

At 11:48 a.m., Mr. DonCarlos stated that the Board would go into Executive Session under Section 161.032 of the Texas Health & Safety Code, Texas Occupations Code 160.007, and Chapter 551 of the Texas Government Code Sections 071, 072, and 085. Mr. DonCarlos stated that the regular meeting of the Board would reconvene at the close of Executive Session.

**XI. Reconvene**

At 1:15 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. Discussion regarding the Acquisition of Real Property in Connection with the Harris County Hospital District's 2015 Strategic Plan, pursuant to Tex. Gov't Code §551.072 and Possible Action regarding this Matter upon Return to Open Session.

No action taken.

D. Consultation with the County Attorney regarding Cause No. 2011-22778; *Rochelle Jernigan v. Harris County Hospital District*; In the 127<sup>th</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.

No action taken.

E. Consultation with the County Attorney regarding MultiPlan, Inc., pursuant to Tex Gov't Code Ann. §551.071 and Possible Action regarding this Matter upon Return to Open Session.

**Motion 12.10-130**

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

The Harris County Hospital District dba Harris Health System, by and through its Board of Managers, approves and hereby authorizes settlement in connection with Harris Health System's claim against MultiPlan, Inc. for out-of-network healthcare services provided by Harris Health to a MultiPlan member in the amount of \$51,664, payable by MultiPlan, Inc. to Harris Health. The Chief Financial Officer of the Harris Health is authorized to execute any agreement, release or other necessary documents to effect this settlement.

F. Discussion regarding Financial Planning Information relating to the Negotiation with Affiliated Medical Services for the Arrangement or Provision of Medical Services pursuant to

Tex. Gov't Code Ann. Section 551.085 and Possible Action regarding this Matter upon Return to Open Session.

No action taken.

**XII. Adjournment**

Moved by Mr. Finder, seconded by Mr. Tijerina, and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at 1:16 p.m.

I certify that the foregoing are the Minutes of the Meeting of the Board of Managers of the Harris County Hospital District d/b/a Harris Health System held at the Administration Building in Houston, Texas on October 25, 2012.

Mr. Stephen DonCarlos, Chair  
Board of Managers

Mr. E. Dale Wortham, Secretary  
Board of Managers

Recorded by Christie Reno