



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

Thursday, May 31, 2012

Board Room – Administration Building

BOARD MEMBERS PRESENT

Mr. Stephen DonCarlos, Chair
Ms. Carolyn Truesdell, Vice Chair
Mr. E. Dale Wortham, Secretary
Mr. Elvin Franklin, Jr.
Dr. George Santos
Dr. Atul Varadhachary
Mr. TJ Tijerina, Jr.
Mr. Lawrence Finder (9:24 a.m.)

BOARD MEMBERS ABSENT

Ms. Daisy Stiner

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
Mr. Mark Fury, Commissioner Steve Radack's Office
Ms. Elizabeth Neal, Commissioner Jack Cagle's Office (9:22 a.m.)
Ms. Nikki Caffey, Commissioner Jack Morman'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 9:02 a.m. and noted that a quorum was present. The attendance was recorded.

II. Approval of Minutes of Previous Meetings

Motion 12.5-59

Moved by Ms. Truesdell, seconded by Mr. Finder, and unanimously passed, that the Board approve the minutes of the April 26, 2012 Board of Managers meeting to include the announced corrections.

III. Special Presentations

Below are the May 2012 special presentations:

1. Resolutions recognizing Dr. Kenneth Mattox and Ben Taub Level 1 Trauma verification
2. Letters of commendation for Ms. Dolores Rodriguez and Ms. Dolores Gonzales

IV. Hear from Citizens

Ms. Cynthia Cole addressed the Board regarding employee relations.

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

Motion 12.5-60

Moved by Dr. Santos, seconded by Mr. Finder, and unanimously passed, that the Board approve items V.A1a to V.A1ff.

A. Items related to Purchasing

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

- a. ratify the fourth and final renewal option for Iron Mountain Records Management for off-site storage and maintenance of medical records, x-ray film and retrieval services in the estimated amount of \$1,561,460 for the term May 1, 2012 through April 30, 2013.
- b. approve the fourth and final renewal option for MedQuist Transcriptions Ltd. for medical transcription services in the estimated amount of \$158,352 for the term July 1, 2012 through June 30, 2013.
- c. ratify an award for Mental Health and Mental Retardation Authority of Harris County (MHMRA) for security and housekeeping services for Neuro-Psychiatric Center at Ben Taub General Hospital in the estimated revenue amount of \$314,407 for the term January 1, 2012 through August 31, 2012.
- d. approve an award on the basis of low quote for Business Security Solutions, LLC for websense security filtering software maintenance and support in the amount of \$142,100 for the term July 30, 2012 through July 30, 2013.

- e. approve additional budgeted funds for Virtual Hold Technology, LLC for call center virtual hold queuing system software license, maintenance and support in the additional budgeted amount of \$63,436 for the term December 23, 2011 through December 22, 2012. (Board previously approved funds in the amount of \$43,460 for the same term).
- f. approve the second and final renewal option for Citrix Systems, Inc. (through Accudata Systems, Inc. and SHI Government Solutions) for maintenance and support for Citrix Hardware/Software in the estimated amount of \$192,521 for the term July 1, 2012 through June 31, 2013.
- g. approve the first of four renewal options for Shared Technologies, Inc. for maintenance of telephone and voice communications systems in the estimated amount of \$696,267 for the term June 1, 2012 through May 31, 2013.
- h. approve an award on the basis of best bid for USA Mobility Wireless, Inc. for leasing wireless pagers, messaging services and related items in the estimated amount of \$200,000 for the term June 1, 2012 through May 31, 2013 with four one-year renewal options.
- i. Withdrawn.
- j. approve the second 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, 2012 through August 9, 2013.
- k. approve the second of four renewal options for Milam & Co. Painting, Inc. (primary) and Teko Contractors (secondary) in the multi-vendor estimated amount of \$609,663 for the term June 22, 2012 through June 21, 2013.
- l. approve the first of four renewal options for Centennial Contractors Enterprises, Inc. (primary), J.T. Vaughn Construction, LLC (secondary) and Horizon International Group, LLC (Tertiary) for job order contracting for small and large construction and/or construction related projects in the estimated multi-vendor amount of \$5,500,000 for the term August 1, 2012 through July 31, 2013.
- m. approve additional budgeted funds for C.F. McDonald Electric, Inc. for emergency power upgrade at Lyndon B. Johnson General Hospital in the estimated additional amount of \$160,294. (Board previously approved funds in the amount of \$2,511,575).

- n. approve the second of four renewal options for Amtech Elevator Services for periodic maintenance and services of elevators/lift equipment in the estimated amount of \$420,844 for the term August 1, 2012 through July 31, 2013.
- o. approve professional services exemption for MEDesign Architectural Group, Inc. for professional architectural services for district wide projects in the estimated amount of \$100,000 for the term June 1, 2012 through May 31, 2013 with two one-year renewal options.
- p. approve additional budgeted funds for Smith Seckman Reid, Inc. for professional engineering services to develop and produce as-found line diagrams and electrical system studies at Ben Taub General Hospital, Lyndon B. Johnson General Hospital and Quentin Mease Community Hospital in the estimated additional budgeted amount of \$276,300. (Board previously approved funds in the amount of \$659,321).
- q. approve award for Siemens Healthcare Diagnostics, Inc. (PP-LA-257) to provide a Dimension Chemistry Analyzer for the Smith Clinic in the amount of \$61,490.
- r. approve additional budgeted funds and an extension for Diamedix Corporation for fully automated microplate analyzer and reagents in the estimated additional budgeted amount of \$82,731 for the term July 1, 2012 through December 31, 2012. (Board previously approved funds in the amount of \$517,453 for the term June 1, 2009 through June 30, 2012).
- s. approve additional budgeted funds and an extension for Abbott Laboratories, Inc. (PP-LA-263 fka PP-LA-205) for hematology analyzers, reagents, consumables and services in the additional budgeted amount of \$159,992 for the extended term of June 1, 2012 through November 30, 2012. (Board previously approved funds in the amount of \$343,067 for the term June 1, 2011 through May 31, 2012).
- t. approve the second of four renewal options for Cardinal Health for fecal occult blood immunochemical methodology, consumables and services in the estimated amount of \$648,406 for the term July 1, 2012 through June 30, 2013.
- u. approve the fifth and final 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, 2012 through June 16, 2013.

- v. approve an award for Harris County Public Health Services for laboratory technical consulting services in the estimated revenue amount of \$35,100 for one year initial term with one-year renewal options until terminated by either party.
- w. ratify funding for ev3 Inc. (PP-CA-182) for peripheral and biliary stents in the estimated amount of \$139,855 for the term March 1, 2012 through February 28, 2013.
- x. approve funding on the basis of product standardization for Compression Therapy Concepts (PP-NS-576) for vascular compression therapy in the estimated amount of \$349,762 for the term June 1, 2012 through May 31, 2013.
- y. ratify award on the basis on lowest priced contract for Tyco Healthcare Group, LP The Kendall Company for ECG electrodes, cables, lead wires and defibrillator pads in the estimated amount of \$154,104 for the term May 1, 2012 through April 28, 2013.
- z. approve the second of four renewal options for Genzyme Biosurgery for resorbable barrier adhesion film in the estimated amount of \$186,000 for the term July 1, 2012 through June 30, 2013.
- aa. approve the second of four renewal options for RecoverCare LLC for rental of therapeutic and bariatric beds, surfaces, various accessories and services in the estimated amount of \$330,000 for the term September 3, 2012 through September 2, 2013.
- bb. ratify the fourth and final renewal option for Hollister Incorporated for patient bowel management systems in the estimated amount of \$115,466 for the term May 1, 2012 through April 30, 2013.
- cc. approve awards on the basis of lowest priced proposals for Category A – Water Phantom year one: IBA Dosimetry (estimated amount \$64,249) and Sun Nuclear Corporation (estimated amount \$71,900) and only proposal received for Category B – Quality Assurance Software and Equipment year one: Sun Nuclear Corporation (estimated amount \$353,750) for multi-vendor amount of \$417,999.
- dd. approve award on the basis of lowest priced contract for GE Healthcare for ultrasonic scanning systems in the amount of \$222,630.
- ee. approve additional budgeted funds for Carefusion Solutions, LLC for large volume infusion pumps in the estimated additional

budgeted funds of \$63,844 for the term December 16, 2011 through December 15, 2012. (Board previously approved funds in the amount of \$3,292,270 for the same term).

- ff. approve award on the basis of only proposal received for Hologic, Inc. for digital mammography screening system in the estimated amount of \$210,000 for one year initial term with four one-year renewal options.

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

- a. transmittal of award on the basis of sole source for The Joint Commission in the estimated amount of \$55,055.
- b. transmittal of additional budgeted funds for Sebesta Blomberg & Associates, Inc. for professional architectural and engineering services for facilities commissioning in the estimated additional amount of \$68,125. (Board previously approved funds in the amount of \$272,500).
- c. transmittal of exemption from the competitive bid requirements for Baylor College of Medicine for physician services – early intervention, Ryan White HIV/AIDS Treatment Extension Act of 2009 Part C in the estimated Ryan White Grant funds amount of \$70,160 for the term January 1, 2012 through December 31, 2012.
- d. transmittal of award on the basis of single source contract for Atrium Medical Corporation for chest drainage products in the estimated amount of \$75,538 for the term April 1, 2012 through March 31, 2013.
- e. transmittal of funding on the basis of product standardization for Nellcor Puritan Bennett, Inc. A Tyco Healthcare Company (PP-OR-633) for tracheostomy tubes and related products in the estimated amount of \$53,000 for the term October 1, 2011 through September 30, 2012.
- f. transmittal of funding on the basis of product standardization for Evenflo Company, Inc. (PP-WC-057) for breast pump equipment and accessories in the estimated amount of \$75,400 for the term April 1, 2012 through March 31, 2013.
- g. transmittal of additional budgeted funds for Siemens Healthcare Diagnostics, Inc. (PP-LA-257) for chemistry and immunochemistry analyzers/integrated platform – automation, reagents, consumables and services in the additional budgeted amount of \$54,726 for the term September 13, 2011 through

September 12, 2012. (Board previously approved funds in the amount of \$1,727,880 for the same term).

- h. transmittal of additional budgeted funds for US Med-Equip for rental of various patient care peak use equipment and services the additional budgeted funds of \$91,383 for the term August 19, 2011 through August 18, 2012. (Board previously approved funds in the amount of \$173,097 for the same term).
- i. transmittal of award on the basis of only proposal received for Hologic, Inc. for bone densitometer in the estimated amount of \$61,000.
- j. transmittal of award on the basis of overall lowest quote for Midwest Medical Supply Company, LLC for general medical equipment in the amount of \$79,595.
- k. transmittal of the second and final renewal option for Bracco Diagnostics Inc. for pharmaceutical products (contrast media) in the estimated amount of \$90,609 for the term May 1, 2012 through April 30, 2013.

Motion 12.5-61

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

- B. Approval of the Harris County Hospital District 2012 Charity Care Program Schedule of Benefits and Service Exclusions with home visits reading “L” rather than “X”.
- C. Acceptance of the May 31, 2012 Auditor’s Report on Affiliated Medical Services Budget and Relative Value Unit Analysis.
- D. Authorization to enter into the 2nd term of the lease agreement with A-S 47-Jones-Cypress N. Houston, L.P. for approximately 6,760 rentable square feet of space, located at 12340 Jones Road, Suite 100, Houston, Texas 77070, for the Jones Road Pediatrics & Adolescent Health Center. The lease term commences July 15, 2012 through July 14, 2013 at a monthly rate of \$11,266.67 plus “additional rent” equal to Lessee’s pro-rata share of increases in taxes and insurance not to exceed 3% of the cost in the immediately preceding contract term.
- E. Acceptance of resignations from Dolores Rodriguez and Dolores Gonzales from the Pension and Disability Administrative Committee and approval of appointment of William Puder and Joseph Mark Tamalis to at-large committee positions and Carla Golemon as Chairperson of the committee effective May 31, 2012.

- F. Ratification of the 1st Amendment to the Trust Agreement between the Harris County Hospital District and State Street Bank and Trust Company executed February 15, 2012.
- G. Approval of an affiliation agreement between the Harris County Hospital District and the Houston Area Women's Center to provide crisis intervention, counseling and follow-up services as needed and appropriate at no cost for the first initial term beginning upon execution with three one-year renewal options.

VI. 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 May 2012. Discussion ensued related to the Medical Staff Bylaws which were included for information only. A copy of the report is available in the permanent record.

Motion 12.5-62

Moved by Mr. Franklin, seconded by Mr. Finder, and unanimously passed, that the Board accept the Medical Executive Board Report.

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

Motion 12.5-63

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

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

Motion 12.5-64

Moved by Mr. Franklin, seconded by Dr. Santos, and unanimously passed, that the Board approve item VI.A.4. and VI.A.5.

4. Approval of Recommendation regarding Replacement of Pediatric Hematology/Oncology Clinical Privileges Forms for the Harris County Hospital District.
5. Approval of Recommendation regarding Clinical Neurophysiology Clinical Privileges Forms for the Harris County Hospital District.

B. Budget and Finance Committee

Mr. Norby presented the April 2012 Financial Report. Adjusted patient days were 10.0% greater than budget with approximately 65% of the volume representing outpatient care. Clinic visits were 0.7% less than budget. Primary care clinic visits were 0.2% less than the month's budget. For the month ended April 30, 2012 the District is reporting a gain of \$4.6 million, a \$6.7 million unfavorable variance compared to budget. Total District Net Revenue was \$4.5 million less than budget. Total expenses were \$2.2 million greater than the budget. District Operating Income for April is a gain of \$4.6 million compared to a budgeted gain of \$11.3 million, an unfavorable variance of \$6.7 million. A copy of the report is available in the permanent record.

1. **Motion 12.5-65**

Moved by Mr. Franklin, seconded by Dr. Varadhachary and unanimously passed, that the Board accept the April 2012 Financial Report subject to audit.

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

2. **Motion 12.5-66**

Moved by Mr. Franklin, seconded by Dr. Santos, and unanimously passed, that the Board accept the April 2012 Pension Plan Report subject to audit.

3. **Motion 12.5-67**

Moved by Dr. Santos, seconded by Mr. Tijerina, and unanimously passed, that the Board approve a purchase of thirty-one telemetry monitors for the emergency centers at Ben Taub General Hospital and Lyndon B. Johnson General Hospital from Philips Medical Systems, NA Company (PP-MM-166) for an estimated amount of \$332,200.

4. Presentation of April 2012 Financial Statements and Background and Strategic Priorities of Community Health Choice, Inc.

Mr. Janda presented the April 2012 Financial Statements of Community Health Choice, Inc. Net income was \$1,600,918 for April 2012. Total revenue was 11% above budget and medical loss ratio (including Other Medical) was 1.4% unfavorable for the month. Administrative expenses were 10% below budget for the month. 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. A copy of the report is available in the permanent record.

D. Corporate Compliance Committee

Presentation of video, Provider Compliance Training by the Department of Health and Human Services Office of Inspector General: Introduction by Daniel Levinson and Video regarding Exclusion Authority and Effects of Exclusion.

E. 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. Lopez gave a brief update on DSH and IGT.

VII. Miscellaneous Agenda Items

A. Motion 12.5-68

Moved by Ms. Truesdell, seconded by Mr. Finder, and unanimously passed, that the Board approve the following appointments to an Ad Hoc Committee regarding Community Health Choice: Mr. Elvin Franklin, Chair, Mr. Dale Wortham and Mr. T.J. Tijerina.

B. Motion 12.5-69

Moved by Mr. Wortham, seconded by Mr. Finder, and unanimously passed, that the Board accept an award of \$195,000 from the University of Texas Health Science Center at Houston to issue a subcontract under Grant No. PP120086, Cancer Prevention Research Institute of Texas, title "Increasing Breast, Cervical and Colon Cancer Screening and Increasing HPV Vaccination among Underserved Texans: A Collaboration with the United Way 211 Program".

VIII. President/Chief Executive Officer's Report to Include: Harris Health System: Brand Development

Mr. Lopez shared with the Board that his report will be an update on the progress being made with the branding effort for the dba "Harris Health System". He then called on Ms. Amanda Callaway who asked Ms. Shannon Langrand of the Langrand Company and Ms. Kathleen Diamonon of The Turning Point Group who provided the PowerPoint presentation, "Harris Health System: Defining a Powerful Brand Identity". Questions ensued. Dr. Santos asked to see all the design choices that were considered prior to the selection of the one shown in the presentation. Mr. DonCarlos and Mr.

Franklin asked that uniform signage be used for all District facilities. A copy of the presentation is available in the permanent record.

IX. Executive Session

At 11:17 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 Section 071. Mr. DonCarlos stated that the regular meeting of the Board would reconvene at the close of Executive Session.

X. Reconvene

Dr. George Santos and Mr. Dale Wortham departed the meeting prior to reconvening from executive session.

At 12:37 p.m., Mr. DonCarlos reconvened the meeting and stated that no action was taken in Executive Session.

A. Report by Senior Vice President of Corporate Compliance Regarding Compliance with Medicare, Medicaid, HIPAA and other Federal and State Health Care Program Requirements and a Status of Fraud and Abuse Investigations, pursuant to Section 161.032 of the Texas Health & Safety Code.

No action taken.

B. Report by the Chief Medical Officer regarding Quality of Medical and Health Care, pursuant to Tex. Health & Safety Code Ann. §161.032 and Tex. Occupations Code Ann. §160.007 to receive Peer Review and/or Medical Committee Report in Connection with the Evaluation of the Quality of Medical and Health Care Services.

No action taken.

C. Consultation with the County Attorney regarding Contractual Negotiations with AT&T regarding AT&T ILEC Intrastate Tariff Network Services Agreements for Texas House Bill 2128 Customers, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter upon Return to Open Session

No action taken.

D. Consultation with the County Attorney regarding the District's Agreement with Western Reserve MedTec Services, LLC, 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 an Automobile Claim filed by Romel Gomez, pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action regarding this Matter upon Return to Open Session

Motion 12.5-70

Moved by Ms. Truesdell, seconded by Mr. Franklin, 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 an automobile and personal injury claim filed by Romel Gomez in the amount of \$2,459.99 for the property damage to his vehicle, and \$4,285.00 for his personal injury claim. David S. Lopez, President/CEO, is authorized to execute any agreement, release or other necessary documents to effect this settlement.

- F. Consultation with the County Attorney regarding an Automobile Claim filed by Irma Bonilla, pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action regarding this Matter upon Return to Open Session

Motion 12.5-71

Moved by Ms. Truesdell, seconded by Dr. Varadhachary, 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 an automobile claim filed by Irma Bonilla in the amount of \$1,469.00. David S. Lopez, President/CEO, is authorized to execute any agreement, release or other necessary documents to effect this settlement.

- G. Consultation with the County Attorney regarding an Automobile Claim filed by Andrew Kennedy, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter upon Return to Open Session

Motion 12.5-72

Moved by Ms. Truesdell, seconded by Mr. Tijerina, 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 an automobile claim filed by Andrew Kennedy in the amount of \$1,057.42. David S. Lopez, President/CEO, is authorized to execute any agreement, release or other necessary documents to effect this settlement.

- H. Discussion regarding the Selection and Employment of a Director/Board Affairs for the Board of Managers Pursuant to Tex. Gov't Code Ann. §551.074 and Possible Action regarding this Matter upon Return to Open Session

Motion 12.5-73

Moved by Dr. Varadhachary, seconded by Mr. Franklin, that the Board authorize the Board Chair, Mr. DonCarlos and AdHoc Committee Chair, Ms. Truesdell, to evaluate the candidates and make a recommendation to the Board for hiring a Director for the Board office.

XI. Adjournment

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

There being no further business, the meeting adjourned at 12:38 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 May 31, 2012.

Mr. Stephen DonCarlos, Chair
Board of Managers

Mr. E. Dale Wortham, Secretary
Board of Managers

Recorded by Anne McCowan