



HARRIS HEALTH SYSTEM
MINUTES OF THE BOARD OF MANAGERS MEETING
(Meeting originally scheduled for June 27th, 2013)

Tuesday, July 9, 2013

Board Room – Administration Building

BOARD MEMBERS PRESENT

Ms. Carolyn Truesdell, Chair
Mr. Elvin Franklin, Jr., Vice Chair
Ms. Daisy Stiner
Ms. Anne Clutterbuck
Mr. Stephen DonCarlos
Mr. Lawrence Finder
Dr. George Santos
Mr. TJ Tijerina
Mr. E. Dale Wortham

BOARD MEMBERS ABSENT

OTHERS PRESENT

Mr. David Lopez, President & Chief Executive Officer
Mr. George Masi, Chief Operating Officer
Mr. Michael Norby, Chief Financial Officer
Dr. Fred Sutton, Chief Medical Officer
Mr. Tim Tindle, Chief Information Officer
Ms. Beth Cloyd, Chief Nursing Executive
Mr. DeWight Dopslauf, Harris County Purchasing Agent
Ms. Vivian Groce, Harris County Assistant Purchasing Agent
Ms. Mercedes Leal, Attorney, Harris County Attorney's Office
Dr. Stephen Greenberg, General Director, Affiliated Medical Services
Dr. Tien Ko, Chairman, Medical Executive Board
Ms. Peggy Boice, Judge Ed Emmett's Office
Ms. Monica DeLaRosa, Commissioner El Franco Lee's Office
Ms. Elizabeth Neal, Commissioner Jack Cagle's Office
Mr. Mark Fury, Commissioner Steve Radack's Office
Administrative Staff
Guests
(Sign-in Sheets attached to permanent record)

I. Call to Order and Record of Attendance

Ms. Carolyn Truesdell, Chair, called the meeting to order at 9:01 a.m. and noted that a quorum was present. Ms. Truesdell apologized for the need to cancel the June 27th meeting due to an official posting issue, and she thanked everyone for their patience and their attendance. The attendance was recorded.

II. Approval of Minutes of Previous Meeting

Motion 13.07-76

Moved by Mr. TJ Tijerina, Jr., seconded by Ms. Daisy Stiner and unanimously passed, that the Board approve the minutes of the May 30, 2013 Board of Managers Meeting and the June 5, 2013 Called Board of Managers Meeting.

III. Announcements/Special Presentations

Ms. Carolyn Truesdell welcomed Dr. Robert (Bob) Trenschele back to Harris Health System. Dr. Trenschele recently returned to Texas from Wisconsin and will serve as Sr. Vice President and Administrator for Ben Taub General Hospital.

Ms. Truesdell also acknowledged that, at the end of the academic year, several physicians at Baylor College of Medicine and The University of Texas Medical School have received recognition and won awards for teaching.

IV. Hear from Citizens

No citizens signed up to speak.

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

Mr. TJ Tijerina, Jr., noted changes to the following Items Related to Purchasing: Items V.A(1)h and V.A(1)k were *withdrawn*; items V.A(1)d, V.A(1)f-g, V.A(1)o-p, V.A(1)r, V.A(1)w, and V.A(1)y-z are now *ratifications* because of the change in the meeting date; item V.A(1)q is a *renewal*; and items V.A(1)r and V.A(1)v have been *revised*.

Mr. Tijerina also noted that Ms. Carolyn Truesdell and Mr. Lawrence Finner *recused* themselves from Purchasing item A(1)y.

Motion 13.07-77

Moved by Mr. E. Dale Wortham, seconded by Dr. George Santos, and passed, that the Board approve agenda items V.A(1)a through V.A(1)bb.

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

- a. approve additional (budgeted) funds and an extension for Olympus America Inc. – Medical Systems Group (PP-OR-778) to provide equipment repair and maintenance service for endoscopy and video equipment in the estimated additional amount of \$944,010 for the term July 9, 2013 through July 8, 2014 (Board previously approved funds in the amount of \$786,675 for July 9, 2012 through July 8, 2013).
- b. ratify the fourth and final renewal options for Hologic, Inc. to provide repair and maintenance of Hologic Selenia Mammography Units in the estimated amount of \$678,525 for the term June 1, 2013 through May 31, 2014.

- c. approve the third and final renewal option for Philips Healthcare to provide repair and maintenance services for various Phillips imaging equipment including CT scanners, Skylight Radiology Systems, X-Ray, C-Arms and other equipment for Ben Taub and Lyndon B. Johnson General Hospitals in the estimated amount of \$931,386 for the term August 1, 2013 through July 31, 2014.
- d. ratify purchase on the basis of product standardization for Stryker Sales Corporation (PP-MM-207) to replace 50 stretchers that are no longer supported by the manufacturer or have exceeded life expectancy for Lyndon B. Johnson and Ben Taub General Hospitals in the amount of \$252,230.
- e. approve purchase on the basis of best contract to Lumenis Inc. (PP-OR-864) to provide an additional 60 watt holmium laser and consumables required for the Westland OR at Lyndon B. Johnson General Hospital in the estimated amount of \$394,351 (holmium laser in the amount of \$98,694 and consumables in the amount of \$295,657).
- f. ratify the second of four (4) renewal options for Synthes USA Sales, LLC and Zimmer US, Inc. to provide orthopedic implants for surgical procedures at Ben Taub and Lyndon B. Johnson General Hospitals in the estimated amount of \$1,582,435 for the term July 1, 2013 through June 30, 2014.
- g. ratify the third of four (4) renewal options for Cardinal Health to provide fecal occult blood immunochemical testing kits, reagents, consumables and services in the estimated amount of \$602,048 for the term July 1, 2013 through June 30, 2014.
- h. *WITHDRAWN*
- i. approve additional (budgeted) funds and an extension for Abbott Laboratories, Inc. (PP-LA-236 fka PP-LA-162) to provide i-STAT blood gas analyzers and reagents in the additional amount of \$984,598 for the extended term August 1, 2013 through January 31, 2014 (Board previously approved funds in the amount of \$1,592,857 for the term August 1, 2012 – July 31, 2013).
- j. approve additional (budgeted) funds for Becton Dickinson and Company to provide services for PCR/Genotyping and GC/Chlamydia testing in the additional amount of \$231,263 for the extended term July 4, 2013 through December 31, 2013 (Board previously approved funds in the amount of \$585,748 for the term February 4, 2012 through July 3, 2013).
- k. *WITHDRAWN*
- l. approve the third of four (4) renewal options for Amtech Elevator Services to provide periodic maintenance and service of elevator/lift equipment for various Harris Health facilities in the estimated amount of \$449,309 for the term August 1, 2013 through July 31, 2014.
- m. approve the second of four (4) renewal options for Centennial Contractors Enterprises, Inc. (Primary), J.T. Vaughn Construction, LLC (Secondary), and Horizon International Group, LLC (Tertiary) to provide maintenance, repair, alteration, renovation, remediation, and/or minor construction for Harris Health System in the estimated amount of \$5,500,000 for the term August 1, 2013 through July 31, 2014.

- n. ratify emergency purchases for Creative Office Furniture Inc. (\$2,316), A-Rocket Moving and Storage (\$3,000), EFI Global, Inc. (\$4,000), Corporate Move Consulting, Inc. (\$4,300), McCoy Workplace Solutions (\$6,726), and Centennial Contractors Enterprises, Inc. (\$182,000), for repair of water damage to the roof and interior offices of the Holly Hall Administration Building in the amount of \$202,342.
- o. ratify purchase on the basis of lowest complete quote for Medline Industries, Inc. to provide personal care products that include lotion, deodorant, bar soap, toothbrushes, thermometers, and customized amenity care kits in the estimated amount of \$152,175 for the term July 1, 2013 through June 30, 2014.
- p. ratify purchase on the basis of best contracts to Philips Children's Medical Ventures (\$22,385 – Items 28-35, 54-56), Tyco Healthcare Group, LP (dba Covidien) (\$31,319 – Items 26,27,39-50, 52,53), Acacia (\$76,261 – Items 1-25) to provide neonatal developmental and specialty products such as various sizes of enteral feeding tubes and extension sets, gravifeed syringes, umbilical catheters, positioning aids and pacifiers in the estimated amount of \$129,965 for the term July 1, 2013 through June 30, 2014.
- q. ratify the second of four (4) renewal options for CareFusion Solutions, Inc. (PPPH14CFS01) to provide lease and maintenance of the automated inpatient supply distribution system in the estimated amount of \$1,070,928 for the term July 1, 2013 through June 30, 2014.
- r. ratify purchase on the basis of best contract for Vital Signs, Inc. (Items 2-35) to provide disposable anesthesia products such as anesthesia face masks, filters, breathing circuits and bags, and oral airways for administering general anesthesia in the estimated amount of \$184,544 for the term July 1, 2013 through June 30, 2014.
- s. ratify purchase on the basis of best contracts for DeRoyal Industries Inc. (PP-NS-747) (\$979 – Items 2 – 4) and DJO, LLC (PP-NS-746) (\$184,022 - Items 1, 5 – 73) to provide various orthopedic soft goods which includes cervical collars, knee braces, back braces, and other supports in the estimated amount of \$185,001 for the term December 1, 2012 through November 30, 2013.
- t. approve purchase on the basis of sole source for Houston Academy of Medicine – Texas Medical Center Library (TMC Library) to provide subscription library Services for authorized Harris Health System library cardholders in the estimated amount of \$108, 532 for the term September 1, 2013 through August 31, 2014.
- u. approve the second of four (4) renewal options for Reed Group for Family Medical Leave Act, Short-Term Disability and Medical Case Management Programs and Services to assist in expediting employees return to work from Family Medical Leave, reduce absenteeism periods, decrease the number of absences under intermittent leave, and effectively manage leave requests and time off in the estimated amount of \$445,000 for the term August 16, 2013 through August 15, 2014.
- v. approve additional (budgeted) funds and an extension for Bracco Diagnostics Inc. (\$21,000 revised amount) and GE Healthcare Inc. (\$149,000 revised amount) to provide Pharmaceutical Products (Contrast Media) used in radiology for imaging in the additional amount of 170,000 for the extended term May 1, 2013 through July 31, 2013 (Board previously approved funds in the amount of \$669,632 for the term May 1, 2012 through April 30, 2013).

- w. ratify purchase of Plasma and Recombinant Products Distribution Program – Immune Globulin Intravenous (IGIV) and Albumin from Baxter Healthcare Corporation (PP-PH14BAX02), Bio Products Laboratory (PP-PH14BPL01), CSL Behring (PP-PH14ARM01), Grifols Biologicals, Inc. (PP-PH14GR101), Kedrio BioPharma (PP-PH14KBP01), and Octapharma (PP-PH140CT101) in the estimated amount of \$3,691,866 for the term July 1, 2013 through June 30, 2014.
 - x. approve award on the basis of lowest priced proposal for Amegy Bank N.A. to provide Treasury Management Services for Harris Health System and Community Health Choice, Inc. to include depository accounts and safekeeping services in the estimated annual amount of \$144,135 for a four-year term subject to fiscal funding and price renegotiation in the third year.
 - y. ratify exemption from the competitive bid requirements and renewal for The Methodist Hospital to provide PET scans, breast MRIs, gastromotility studies, and endoscopic ultrasounds in the estimated amount of \$400,000 for the term July 1, 2013 through June 30, 2014. Ms. Carolyn Truesdell and Mr. Lawrence Finder have *recused* themselves from Purchasing item A(1)y.
 - z. ratify exemption from the competitive bid requirements and renewal for The University of Texas M.D. Anderson Cancer Center to provide certain staff to assist in providing oncology services to patients at Lyndon B. Johnson General Hospital in the estimated amount of \$0 for the term July 1, 2013 through June 30, 2014. Renewal is subject to Harris County Commissioners Court approval.
 - aa. approve additional (budgeted) funds for Dunbar Armored, Inc. to provide increased armored car service, deposit processing and cash replenishment of automated parking collection units in the estimated additional amount of \$71,459 for the term January 1, 2013 through December 31, 2013.
 - bb. approve award on the basis of best proposal meeting requirements for CS Technology, Inc. to provide data center design consulting services that include planning, technical, documentation, migration, move and project services for the Information Technology Department of Harris Health System in the estimated amount of \$1,200,000 for a one year initial term with four (4) one year renewal options.
- A (2). Transmittals of Completed Items **(For Informational Purposes)**
- a. transmittal of the first of four (4) renewal options for Advanced Technology & Diversified Products, Inc. to provide Recycling Services for plastic water and soft drinks bottles and aluminum soft drink cans for the Harris Health System in the estimated amount of \$23,000 for the term June 29, 2013 through June 28, 2014.
 - b. transmittal of purchase on the basis of best contract for Ethicon, Inc. Ethicon Endo-Surgery, Inc. A Johnson & Johnson Company to provide Topical Skin Adhesive Products to Harris Health System in the estimated amount of \$91,406 for the term July 1, 2013 through June 30, 2014.
 - c. transmittal of purchase on the basis of sole source for Covidien/ev3 Neurovascular to provide Onyx Liquid Embolic, a non-adhesive polymer for pre-surgical embolization of brain arteriovenous malformations for Harris Health System in the estimated amount of \$65,000.

- d. transmittal of purchase on the basis of best contract for Covidien Sales LLC (PP-OR-914) to provide Endotracheal Tubes and Related Products (used to maintain an unobstructed passageway into the lungs to deliver oxygen to the patient) in the estimated amount of \$81,448 for the term July 1, 2013 through June 30, 2014.
- e. transmittal of purchase on the basis of sole source for GE Healthcare to provide Magnetic Resonance Imaging (MRI) Coils for Harris Health System to include one (1) 16 channel head/neck/spine array and one (1) 12 channel torso array MRI coil required for the fourth floor MRI unit at Smith Clinic in the amount of \$92,000.
- f. transmittal of purchase on the basis of sole source to Medtronic Navigation, Inc. to provide maintenance and support for the Medtronic StealthStation® S7® surgical navigation system at Ben Taub General Hospital in the amount of \$62,500 for the term June 1, 2013 through May 31, 2014.
- g. transmittal of purchase on the basis of low quote to Dell Marketing LP to replace the existing inter-site link between Ben Taub General Hospital and Holly Hall Administration Building for failover in the amount of \$66,730. The existing link is no longer supported by the current vendor and will be retired.
- h. transmittal of purchase on the basis of only quote to Microsoft Corporation (DIR-SDD-1927) for Microsoft Premier Support Services to provide IT support and consultation services, as needed, for Harris Health System in the amount of \$90,684 upon execution of Agreement through May 27, 2014.

Motion 13.07-78

Moved by Mr. E. Dale Wortham, seconded by Mr. TJ Tijerina, Jr., and passed, that the Board approve agenda items V.B through V.N.

- B. Consideration of Approval of June, 2013 Revisions to Harris Health's Medical Staff Bylaws.
- C. Consideration of Approval to Renew the American Hospital Association 2013 Membership Dues in the amount of \$118,762.
- D. Consideration of Approval of Intent to enter into the 3rd Term of the Lease Agreement with Copperfield Timbercreek Atrium, LLC for Lease Space Located at 5870 N. Highway 6, Suite 108, Houston, Texas 77084 for Use as a Medical Clinic.
- E. Consideration of Approval to Enter into the 3rd Term of the Lease Agreement with A-S 47- Jones-Cypress N. Houston, L.P. for Lease Space located at 12340 Jones Road, Suite 100, Houston, Texas 77070 for the Jones Pediatrics and Adolescent Health Center.
- F. Consideration of Approval to Enter Into the 10th Term of the Lease Agreement with Houston Business Development, Inc. for Lease Space located at 5220 – 5250 Griggs Road, Houston, Texas 77021 for the Dental Center.
- G. Consideration of Approval of a Renewal Agreement between the Harris Health System and Alcon Laboratories, Inc., and its affiliate, Falcon Pharmaceuticals, Ltd., to Participate in the Alcon Patient Assistance Program.

- H. Consideration of Approval of a Renewal Agreement between the Harris Health System and the Johnson & Johnson Patient Assistance Foundation, Inc. to participate in the Hospital Access Patient Assistance Program for Healthcare Facilities.
- I. Consideration of Approval of an Agreement between the Harris Health System and Pfizer, Inc. to Participate in the Pfizer Sharing the Care Hospital Program.
- J. Consideration of Approval to Ratify an Interlocal Agreement between Harris County and the Harris County Hospital District d/b/a Harris Health System to perform specific professional and project services, and assist with the overall strategy of Harris Health System's infrastructure.
- K. Consideration of Acceptance of the Harris Health System Audited Pension Plan Financial Statements as of December 31, 2012 and 2011.
- L. Consideration of Acceptance of the Harris Health System 401(k) Plan Audited Financial Statements as of December 31, 2012 and 2011.
- M. Consideration of Acceptance of the Harris Health System Audited Financial Statements as of and for the years ended February 28, 2013 and February 29, 2012.
- N. Consideration of Acceptance of the Audit Report on Federal and State Award Programs for the years ended February 28, 2013 and February 29, 2012.
- O. Consideration of Acceptance of the Harris County Auditor's Harris Health System Community Health Center Collections Report.

{End of Consent Agenda}

Mr. Lawrence Finder requested clarification on agenda item, V.J., regarding the appearance of duplication of services between Harris County and Harris Health System. Mr. Ronald Johnson clarified that the Interlocal Agreement provides additional staff and support to ensure the seven (7) clinics included in the DSRIP initiative are completed and operational within a year. This joint effort will provide resources to accommodate an increase in patient capacity and ambulatory care services as directed by the Commissioners Court. Discussion ensued. Dr. George Santos questioned the additional \$50,000 fee to be paid to Harris County under the Agreement. Mr. Johnson stated that the \$50,000 fee is for the current year and that another \$50,000, plus related fees, will be applied the following year.

VI. Reports of the Committee

A. Joint Conference Committee

1. Consideration of Acceptance of the Medical Executive Board Report.

Motion 13.07-79

Moved by Dr. George Santos and seconded by Mr. Elvin Franklin, Jr., and unanimously passed, that the Board accept agenda item VI.A.1. A copy of the report is available in the permanent record.

2. Approval regarding the Credentialing Changes for Members of the Harris Health System Medical Staff (May 2013).

Mr. DonCarlos requested an update on medication reconciliation compliance. Dr. Ko stated that weekly meetings are being held with medical leaders and administrators to consider several avenues to improve medication reconciliation compliance. He also stated that weekly reports identifying physicians who have not complied or completed the medication reconciliation are being reviewed and issued to medical leaders and administrators. Dr. Fred Sutton stated that the issue regarding the installation of an Epic System hard-stop is still being reviewed as it relates to medical reconciliation compliance, and the credentialing process.

Ms. Truesdell requested clarification regarding Utilization Review and length of stay at Lyndon B. Johnson General Hospital. Dr. Sutton stated that Dr. Parikshet Babber, Medical Director for Clinical Case Management for Harris Health System, has been assigned to the Utilization Review Process and that a committee will be reviewing outliers to determine whether or not Harris Health System is in compliance with federal and state regulations.

3. Approval regarding the Credentialing Changes for Members of the Harris Health System Medical Staff (Pending Items, May 2013).

Motion 13.07.80

Moved by Mr. E. Dale Wortham, seconded by Mr. TJ Tijerina, Jr., and unanimously passed, that the Board approve agenda items VI.A.2 and VI.A.3.

4. Consideration of Approval Regarding Replacement of the Physician Assistant/Nurse Practitioner (OB/GYN) Clinical Privileges forms for Harris Health System.

Motion 13.07.81

Moved by Mr. E. Dale Wortham, seconded by Mr. Elvin Franklin, Jr., and unanimously passed, that the Board approve agenda item VI.A.4.

5. Consideration of Approval of the Agreement between Harris Health System and Affiliated Medical Services for the Purpose of Providing Medical Services Related to the 1115 Medicaid Waiver DSRIP Projects.

Mr. George Masi stated that the Agreement between Affiliated Medical Services (AMS) and Harris Health System focuses on DSRIP initiatives to provide and improve continuity of patient care. The term of the contract is retroactive to July 1, 2013. The contract will renew on October 1, 2014 for one additional year, and on October 1st of each subsequent year through September 30, 2016, unless either AMS or Harris Health System provides prior written notice. Mr. Masi also stated that in September 2013 the contract will be reviewed jointly by AMS and Harris Health System during the AMS Strategic Planning Session to examine risk corridors, RVU targets, performance expectations and other provisions, as well as reach consensus on a shared vision and goals.

Motion 13.07.82

Moved by Mr. E. Dale Wortham, seconded by Mr. Elvin Franklin, Jr., and unanimously passed, that the Board approve agenda item VI.A.5. A copy of the Agreement is available in the permanent record.

B. Performance Improvement & Patient Safety Committee

1. Review, Discussion and Possible Action Regarding the Harris County Hospital District d/b/a Harris Health System Quality Scorecard, Physician Satisfaction, and Patient Satisfaction.

Dr. Fred Sutton stated that the next three deliverables for the July PI/PS Committee will address management of chronic heart failure, management of restraints and seclusion, and the Physician Satisfaction Survey. Dr. Sutton indicated that physician champions and Service Chiefs have been informed about the ensuing survey and that the follow up process will require Service Chiefs to review the results of areas that need improvement or that are not in compliance. Discussion ensued. A copy of the report is available in the permanent record.

2. Review and Discussion Regarding the Harris County Hospital District d/b/a Harris Health System Semi-Private Room Conversion Analysis. **[Board Deliverable]**

Mr. George Masi stated that the completion date for the Lyndon B. Johnson General Hospital semi-private room conversions is 2014 and completion date for Ben Taub General Hospital is 2016. Discussion ensued. Mr. Masi noted that patient satisfaction has improved in the areas of quietness and cleanliness as a result of the conversion from a four-bed to a two-bed configuration. Other areas of improvement include: Nurse Communication; Responsiveness of Hospital Staff; Communication with Doctors; Pain Management; Communication About Medications; and Discharge Information.

3. Review and Discussion Regarding the Nursing Vacancy Impact on Operational Efficiency for Harris County Hospital District d/b/a Harris Health System. **[Board Deliverable]**

Ms. Beth Cloyd reported that the Nursing Vacancy Rate at Ben Taub General Hospital rose from 9.3% in FY2013 to 12.4% in FY2014, and rose from 11.2% in FY2013 to 13.7% at Lyndon B. Johnson in FY2014. Ms. Cloyd also mentioned that Harris Health System has initiated a vigorous nursing recruitment initiative in which nurse leaders and nurse recruiters have collaborated to create innovative marketing strategies in order to fill positions in areas with high vacancy rates. Nursing positions are also being added to staff the OR's in the Outpatient Center on the Lyndon B. Johnson campus. Additionally, Ms. Cloyd noted that Harris Health System now has 70 participants in the internship program, which has proven to be an effective tool in filling nursing positions as well as reducing reliance on supplemental staffing and/or contractors. The Compensation group within Human Resources also reviews market data bi-annually to ensure that nurse salaries at Harris Health System are competitive within the current market. Ms. Clutterbuck requested an update on the Nursing Vacancy Rate be presented to the Board on a quarterly basis.

C. Budget and Finance Committee

1. Consideration of Acceptance of the Harris Health System May 2013 Financial Report Subject to Audit.

Mr. Norby reported that patient volume increased during May 2013 and that Adjusted Patient Days of 6.3% met projections. Mr. Norby noted that during May 2013, Harris Health System had a positive margin of \$12 million and reminded the Board that Harris Health System received a \$23.7 million distribution of DSRIP funds for

demonstration year one (DY1). He noted that for the first three months of FY2014, Harris Health System was operating with a baseline budget and now that the Commissioners Court has approved the FY2014 budget, DSRIP and expansion monies have been incorporated into the last nine months of FY2014. He cautioned that for the next nine months, Harris Health System will be operating at a loss of \$7 to \$8 million; however, during the month of December, an anticipated DSRIP distribution of \$50 - \$60 million for demonstration year two (DY2) is scheduled, which will result in a net positive cash flow to offset losses. A copy of the report is available in the permanent record.

2. Consideration of Acceptance of the Harris Health System May 2013 Pension Plan Report Subject to Audit.

Mr. Norby presented the May 2013 Pension Plan Report. A copy of the report is available in the permanent record.

3. Consideration of Acceptance of the Harris Health System May 2013 Investment Report.

Mr. Norby stated that at the end of May 2013, the Investment Report revealed that cash on hand was \$200 million lower than historically reported at Harris Health System. In June 2013, Harris Health System received \$115 million from the final federal fiscal trust settlement for uncompensated care and Harris Health System should receive payment for uncompensated care during the month of August for the first two quarters of FY2013, which will replenish cash on hand to maintain the bond covenant. A copy of the report is available in the permanent record.

Motion 13.07-83

Moved by Mr. E. Dale Wortham, seconded by Mr. Lawrence Finder, and unanimously passed, that the Board accept agenda items VI.C.1-VI.C.3.

The following items were not presented in Committee and come directly to the Board:

4. Presentation of the May 2013 Financial Statements of Community Health Choice, Inc.

Mr. Kenneth Janda reported that Community Health Choice, Inc. income and membership met projections for the month of May 2013 and the consolidated income was \$1.1 million. Mr. Janda also reported that the State confirmed a 3% increase in payments that will begin in September 2013. He also noted that \$2 million was designated for startup costs associated with entering into the health exchange marketplace. A comparative analysis is being conducted to determine whether the insurance rates submitted by Community Health Choice, Inc. are competitive. In August 2013, the Community Health Choice Board of Directors will make its final decision to determine whether to enter into the health insurance exchange market. If approved, open enrollment will begin in October 2013.

5. Consideration of Approval of an Extension of the JPMorgan Letter of Credit and First Amendment to Reimbursement Agreement.

Mr. Norby presented the fee letter, and the amendment to the letter of credit and reimbursement agreement. A copy of the letter is available in the permanent record.

Motion 13.07-84

Moved by Dr. George Santos, seconded by Mr. E. Dale Wortham, and unanimously passed, that the Board approve agenda item VI.C.5. Mr. Lawrence Finder recused himself from agenda **item** VI.C.5.

6. Consideration of Approval of the first of four (4) renewal options for Corporate Move Consulting, Inc. (Move Consultant - \$950,000) and A-Rocket Relocation Services (Mover - \$350,000) District-Wide Move Consultant and Movers, to assist with strategic migration planning and performance of all activities required to move and relocate equipment throughout the Harris County Hospital District (dba Harris Health System) in the estimated amount of \$1,300,000 for the term May 15, 2013 through May 14, 2014 (Move Consultant) and June 1, 2013 through May 31, 2014 (Mover)).

Motion 13.07-85

Moved by Mr. E. Dale Wortham, seconded by Dr. George Santos, and unanimously passed, that the Board approve agenda item VI.C.6.

D. Planning and Operations Committee

The following items were not presented in Committee and come directly to the Board:

Items Related to Building and Properties

1. Consideration of Approval to Name the Lyndon B. Johnson Outpatient Clinic, "Outpatient Center".

Motion 13.07-86

Moved by Mr. E. Dale Wortham, seconded by Ms. Daisy Stiner, and unanimously passed, that the Board approve items VI.D.1 and VI.D.2. **Motion 13.07-86 was rescinded.**

Discussion ensued regarding the naming of Harris Health System Health Centers as well as the rooms inside those facilities. Ms. Anne Clutterbuck stated that the HCHD Foundation is seeking guidance from the CEO on the associated cost and process of naming opportunities at the Outpatient Center located on the Lyndon B. Johnson Hospital campus. Mr. Lopez stated that he would follow up with the HCHD Foundation regarding the naming opportunities.

2. Consideration of Approval to Name the Health Center Located at 6400 Bissonnet, Houston, TX 77074 (Bayland Park, Precinct 3), and "Bayland Geriatric Health Center".

Mr. Finder questioned whether there were policy limitations on health center naming opportunities. Mr. Lopez stated there were no limitations. Mr. Finder then suggested Harris Health Administration consider re-naming the Bayland Geriatric Health Center in honor of former Harris Health Board member, Mr. Danny Jackson. Discussion ensued. Dr. Ericka Brown stated that generally the neighborhood health centers are named by geographic location and specific service line. Mr. Elvin Franklin, Jr., stated that Mr. Lopez will follow up with the Board regarding the naming of health centers. **Agenda item VI.D.2. was pulled from the agenda.**

Motion 13.07-87

Moved by Mr. Wortham, seconded by Ms. Stiner, and unanimously passed, that the Board rescind motion 13.07-86 and approve only agenda item VI.D.1.

3. Consideration of Approval to enter into a New Lease Agreement with Fulton Shopping Center, Inc. for the Leasing of Approximately 6,000 Square Feet of Space located at 2982 Fulton Street, Houston, Texas 77009 for an Ambulatory Care Clinic.
4. Consideration of Approval to enter into a New Lease Agreement with Monroe Casco, Ltd., a Texas Limited Partnership for the Leasing of Approximately 10,000 Square Feet of Space located at 8539 Gulf Freeway, Houston, Texas 77017 for an Ambulatory Care Clinic.
5. Consideration of Approval to enter into a New Lease Agreement with Spring Branch Plaza, LLC for the Leasing of Approximately 8,210 Square Feet of Space located at 9801 Long Point, Houston, Texas 77055 for an Ambulatory Care Clinic.
6. Consideration of Approval to enter into a New Lease Agreement with Bandier Realty Partners, LLC for the Leasing of Approximately 9,474 Square Feet of Space located at 5503 N. Fry Road, Katy, Texas 77449 for an Ambulatory Care Clinic.
7. Consideration of Approval to enter into a New Lease Agreement with HEB Grocery Company, LP for the Leasing of Approximately 9,750 Square Feet of Space located at 3500 -3800 Little York, Houston, Texas 77093 for a Pediatric and Adolescent Clinic.

Motion 13.07-88

Moved by Mr. E. Dale Wortham, seconded by Dr. George Santos, and unanimously passed, that the Board approve agenda items VI.D.3 - VI.D.7.

E. Legislative Committee

1. Update, Discussion and Possible Action Regarding Activities in Austin Relating to Legislative/Regulatory Issues Impacting Harris Health System, the 83rd Legislative Session, and the Harris Health System Legislative Platform.
2. Update, Discussion and Possible Action Regarding Pending Federal Legislative and Policy Issues Affecting Harris Health System.

The Legislative Committee presentation was deferred to the July 25, 2013 Board Meeting.

F. Corporate Compliance Committee

1. Consideration of Approval of the new Harris Health System Policy 3.59 Compliance
2. Auditing, Monitoring, Resolution, and Reporting of Detected Deficiencies.

Ms. Daisy Stiner requested clarification regarding the relationship between the Harris County Auditors and Harris Health System's Department of Corporate Compliance. Ms.Carolynn Jones indicated that she would present the policy defining the relationship between the Harris Health System Corporate Compliance Department and the Harris County Auditor's Department at the August Committee meeting.

Motion 13.07-89

Moved by Mr. Elvin Franklin, Jr., seconded by Mr. Lawrence Finder, and unanimously passed, that the Board approve agenda item VI.F.1. A copy of Harris Health System Policy 3.59 is available in the permanent record.

VII. Miscellaneous Agenda Items

The following item was not presented in Committee and comes directly to the Board:

- A. Review and Discussion Regarding the annual report from the Harris County Hospital District Foundation [Board Deliverable]**

The annual report from the Harris County Hospital District Foundation was deferred to the July 25, 2013 Board meeting.

VIII. President/Chief Executive Officer's Report to Include: 1) DNV Update; 2) Status of Service Expansion Plan; and 3) Status of DSRIP Projects

DNV Update

Dr. Fred Sutton stated that during the recent Det Norske Veritas (DNV) review, eight (8) level one and fifteen (15) level two deficiencies were identified that required improvement. In response, Harris Health System submitted a corrective action plan for level one deficiencies to DNV on June 19, 2013. The plan requires implementation of a quality measurement system to correct each deficiency, and audits of progress. DNV will submit its response to Harris Health System's Corrective Action Plan on July 20, 2013. Ms. Carolyn Truesdell requested that a copy of the DNV report be forwarded to the members of the Board.

Status of Service Expansion Plan

Dr. Ericka Brown reported that the five (5) Same Day Clinics offering extended weekend hours have been operational for five (5) weeks and 1,348 patients were seen, 26% of whom are new patients. Dr. Brown advised that Mi Doctor health care services will begin the last week in July 2013 and access to FQHC providers will begin in August 2013. She noted that the Lyndon B. Johnson (LBJ) General Hospital Same Day Clinic is now open three (3) days per week. She also stated that the General Surgery backlog has been reduced with the implementation of outsourcing patients with surgical services that cannot be provided within thirty (30) days by Harris Health System. Dr. Brown acknowledged Dr. Tien Ko's assistance in reviewing patient medical records in order to identify patients who qualify for outsourcing.

Status of DSRIP Projects

Ms. Beth Cloyd reported that Harris Health System DSRIP initiatives are on target with the proposed timelines and that the State has provided preliminary feedback regarding all DSRIP projects. Projects are now being sent to the Centers for Medicare and Medicaid Services (CMS); projects designated for Pass 4 will be coming to the Board for consideration and approval. Ms. Truesdell requested that a written report and update on the DSRIP initiatives be presented to the Board.

IX. Executive Session.

At 10:46 a.m., Ms. Carolyn Truesdell stated that the Board would go into Executive Session under §161.032 of the Texas Health & Safety Code, Texas Occupations Code §160.007, and

Chapter 551 of the Texas Government Code, Sections 071 and 074. Ms. Truesdell stated that the regular meeting of the Board would reconvene at the close of Executive Session.

X. Reconvene

At 11:24 a.m., Ms. Carolyn Truesdell 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 Tex. Health & Safety Code, and Possible Action Upon Return to Open Session

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. Occ. 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 Professional Services Agreement with Affiliated Medical Services for Medical Services relating to the State's Delivery System Reform Incentive Payment Program, 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 County Attorney regarding Cause No. 2012-33659; *Rideaux et al. v. Lopez et al.*; In the 80th Judicial District Court of Harris County, 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 a claim by Ju Xian Lin, pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action regarding this Matter upon Return to Open Session

No Action Taken

- F. Consultation with the County Attorney regarding payment by Cigna Behavioral Health, Inc., in connection with services provided by Harris County Hospital District d/b/a Harris Health System, pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action regarding this Matter upon Return to Open Session

Motion 13.07-90

Moved by Mr. TJ Tijerina, Jr., seconded by Mr. E. Dale Wortham, and unanimously passed, that the Board approve agenda item X.F.

- G. Discussion Regarding the Employment Agreement with Mr. David Lopez, President/CEO, Harris Health System, pursuant to Tex. Gov't Code Ann. §551.074 and Possible Action Regarding this Matter Upon Return to Open Session

Motion 13.07-91A

Moved by Dr. Santos, seconded by Ms. Clutterbuck, and unanimously passed, that the Board approve a one (1) year extension, at the current terms, of Mr. David Lopez's, President/CEO, Harris Health System, Employment Agreement effective July 9, 2013 to July 9, 2014., agenda item X.G. No action was taken on the CEO's Performance Pay.

XI. Adjournment

Moved by Mr. E. Dale Wortham, seconded by Ms. Daisy Stiner, and unanimously accepted to adjourn the Harris Health System Board of Managers meeting.

There being no further business, the meeting adjourned at 11:26 a.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 July 9, 2013.

Respectfully submitted,

Ms. Carolyn Truesdell, Chair
Board of Managers

Ms. Daisy Stiner, Secretary
Board of Managers

Recorded by Brittni Theard