



**HARRIS HEALTH SYSTEM**  
**MINUTES OF THE CALLED MEETING OF THE BOARD OF MANAGERS**

**Wednesday, June 5, 2013**

**Board Room – Administration Building**

**BOARD MEMBERS PRESENT**

Ms. Carolyn Truesdell, Chair  
Mr. Elvin Franklin, Jr., Vice Chair  
Ms. Daisy Stiner, Secretary (arrived 10:15 A.M.)  
Ms. Anne Clutterbuck  
Dr. George Santos  
Mr. E. Dale Wortham

**BOARD MEMBERS ABSENT**

Mr. Stephan DonCarlos  
Mr. Lawrence Finder  
Mr. TJ Tijerina

**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  
Ms. Mercedes Leal, Attorney, Harris County Attorney's Office  
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 10:09 a.m. and noted that a quorum was present. The attendance was recorded.

**II. Consideration and Approval of Resolution regarding Case Number EAB20130010571 with the Texas Department of Licensing and Regulation**

**Motion 13.06-74**

Moved by Mr. E. Dale Wortham, seconded by Mr. Elvin Franklin, Jr., and unanimously passed, that the Board approve the Resolution regarding Case Number EAB20130010571 with the Texas Department of Licensing and Regulation, agenda item II.

**III. Discussion and Possible Action Regarding the FY2014 Operating & Capital Budget for the Harris County Hospital District**

Mr. Michael Norby presented the revised FY2014 Operating and Capital Budget and stated he would focus on the concerns expressed by the Commissioners Court as well as the DSRIP expansion projects. In response to the Commissioners Court directive, Mr. Norby stated that Harris Health System will increase the number of primary care and specialty care providers, extend the number of hours facilities are open, and outsource some primary care and outpatient surgery volume.

Mr. Norby noted net patient revenue for Harris Health System is on target with the projection of \$317,500,000 in FY2014. Budget Revenue increase includes higher net patient revenue due to improved collections, increased Medicaid Supplemental payments through Disproportionate Share funding, and increased tax revenues due to higher property values in Harris County.

Dr. George Santos asked whether an assumption was made that unapproved DSRIP projects would be approved. Mr. Norby stated that the FY2014 budget was created assuming the revised proposals for DSRIP projects would be approved.

Ms. Anne Clutterbuck reiterated *specific* concerns from the Commissioners Court. She stated that Commissioners Court wants to know: 1) Harris Health System's plan to reduce the wait list, 2) specific services to be outsourced, and 3) the plan to address administrative compensation packages. Ms. Clutterbuck re-emphasized that the Commissioners Court is not interested in new capital expansion.

Dr. Santos reiterated the need to clearly define terms for "new patients" and "unduplicated patients" so they are standardized across the System. Discussion ensued.

Mr. Norby highlighted that revenue from property tax would generate an estimated \$515 million dollars and that net total revenue is estimated at \$1.2 billion dollars. He also stated that the Medicaid Services IGT is estimated to be \$172 million dollars, and Purchased Services are estimated to be \$119.5 million dollars. He mentioned that, in some cases, Harris Health System will compensate physicians directly due to outsourcing through FQHCs and initial implementation of DSRIP projects, plus other expansion of physician services (including forty FTEs) that are not through AMS.

Mr. Norby noted that during FY2013, Harris Health System incurred a 13% reduction from the amount expected from UPL Uncompensated Care, totaling \$22 million dollars. He also stated that emergency room volume is expected to increase from 170,000 to 180,000 FY2014.

Dr. Santos requested clarification regarding projected new patient and unduplicated patient volumes FY2014. Mr. Norby confirmed that new patient volume is estimated to be 100,000 and unduplicated patient volume is estimated to increase from 301,726 for FY2013 to 317,000 for FY2014.

Ms. Truesdell asked Mr. Norby if Mr. Bill Jackson and other representatives from the Commissioners Court have reviewed the Operating and Capital Budget FY2014 and whether they are comfortable with the projections. Mr. Norby replied affirmatively.

**Motion 13.06-75**

Moved by Dr. George Santos, seconded by Mr. Elvin Franklin, Jr., and unanimously passed, that the Board approve the FY2014 Operating and Capital Budget for the Harris County Hospital District d/b/a Harris Health System, agenda item III.

**IV. Adjournment**

Moved by Mr. E. Dale Wortham, seconded by Ms. Daisy Stiner, and unanimously passed, that the Board adjourn the meeting.

There being no further business, the meeting adjourned at 11:05 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 June 5, 2013.

Ms. Carolyn Truesdell, Chair  
Board of Managers

Recorded by Henrietta Robinson