



HARRIS HEALTH SYSTEM
MINUTES OF THE BOARD OF MANAGERS MEETING
Thursday, February 28, 2013
Board Room – Administration Building

BOARD MEMBERS PRESENT

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

BOARD MEMBERS ABSENT

Mr. Stephen DonCarlos, Chair

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. John Burruss, 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, Acting Chair, called the meeting to order at 9:03 a.m. and noted that a quorum was present. The attendance was recorded.

II. Approval of Minutes of Previous Meeting

Motion 13.02-20

Moved by Mr. Franklin, seconded by Dr. Santos, and unanimously passed, that the Board approve the minutes of the January 31, 2013 Board of Managers meeting, the January 17, 2013 Called Board meeting and the February 14, 2013 Public Budget Hearing.

III. Announcements/Special Presentations

Ms. Truesdell recognized Mr. DeWitt Talmadge McAfee, for 27 years of dedication, passion, and volunteer services to the Harris Health System and his leadership and service to the Harris Health System Northwest Health Center Advisory Council and the Council at Large.

IV. Hear from Citizens

Ms. Christine Lund addressed the Board regarding inadequate dental care services and fees associated with dental services and long wait times for oral surgery appointments.

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

Motion 13.02-21

Moved by Mr. Finder, seconded by Dr. Santos, and unanimously passed, that the Board approve items V.A.(1)a to V.A.(1)ee (with the exception of V.A.(1)f which was considered separately, V.A.(1)r which was deferred to the March 28, 2013 Board meeting and V.A.(2)j, which was withdrawn). Ms. Truesdell and Mr. Finder recused themselves from Agenda Item V.A.(1)aa because their spouses work at The Methodist Hospital.

Ms. Truesdell addressed item V.A.(1)f (Integra LifeSciences Corporation, Medtronic USA, Inc. and Aesculap for neurosurgical products) stating that it was improperly posted for recommendation of approval at the committee meeting; therefore, it was not recommended by the committee. This item was properly posted for the board meeting and is now being considered for board approval.

Motion 13.02-22

Moved by Mr. Finder, seconded by Mr. Tijerina, and unanimously passed, that the Board approve item V.A.(1)f.

Discussion then ensued regarding item V.A.(1)r (American Art Resources to provide art consulting services, artwork and installation for the Westland clinic at Lyndon B. Johnson General Hospital.

Motion 13.02-23

Moved by Mr. Franklin, seconded by Dr. Santos, and passed, that the Board approve item V.A.(1)r. Five board members in favor of the motion and three board members were opposed. Motion carried.

A. Items related to Purchasing

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

- a. awarded on the basis of best bids for Texas Medical Center – Hospital Cooperative Laundry Association to provide processing and delivery of hospital lines and staff garments in the estimated amount of \$2,176,815 for the term February 23, 2013 through February 22, 2014.
- b. awarded on the basis of best bids for Fidia Pharma USA (\$33,550), AMO Sales and Services, Inc. (\$46,400), Merck Sharp & Dohme, Corp., subsidiary of Merck & Co, Inc. (Merck) (\$52,650) and Sunovion Pharmaceuticals, Inc. (\$354,150) for pharmaceutical for outpatients in the estimated multi-vendor amount of \$486,750 for the term March 1, 2013 through February 28, 2014.
- c. awarded on the basis of best proposal to TerumoBCT, Inc. to provide three (3) replacement portable therapeutic apheresis systems for Ben Taub General Hospital Blood Bank in the estimated amount of \$269,070 for first year.

- d. approved purchase on the basis of best contract for GE Healthcare (PP-IM-186) to replace an existing Anesthesia ultrasound system for Ben Taub General Hospital OR Anesthesia in the amount of \$143,193.
- e. approved purchase on the basis of lowest priced contract for Stryker Medical for replacement of 57 patient beds for Ben Taub and Lyndon B. Johnson General Hospitals in the total amount of \$357,171.
- f. ratified the first four (4) renewal options for Integra LifeSciences Corporation (\$97,808), Medtronic USA, Inc. (\$108,225) and Aesculap (\$155,723) for neurosurgical products in the estimated multi-vendor amount of \$361,756 for the term of October 1, 2012 through September 30, 2013. (This item was approved separately.)
- g. approved the third of four (4) renewal options for Ricoh USA, Inc. for high speed and color photocopiers in the estimated amount of \$285,715 for the term March 1, 2013 through February 28, 2014.
- h. approved funding for the final year of a three-year term for Sodexo Services of Texas Limited Partnership to provide continued food and nutritional services in the estimated amount of \$5,076,712 for the period March 7, 2013 through March 6, 2014.
- i. approved the third of four (4) one-year renewal options for Brink's US, a Division of Brink's Incorporated for armored car services for Harris Health System in the estimated amount of \$100,000 for the term April 1, 2013 through March 31, 2014.
- j. approved on the basis of best proposals meeting requirements for OptumInsight, Inc. for a computerized tool to automate the assignment of certain medical and surgical codes (ICD-9-CM and CPT/HCPCS) in the estimated amount of \$1,382,655 (which includes all implementation, interfaces and training) for a one-year initial term with four (4) one-year renewal options.
- k. approved utilization for FleetCor Technologies Operating Company, LLC dba Fuelman for fuel cards, electronic capture and report of fuel transactions, fuel card access control and security system in the estimated amount of \$427,000 for the term March 1, 2013 through February 28, 2014.
- l. WITHDRAWN.
- m. approved the second of four (4) renewal options for Network Cabling Services, Inc. – Class 1 (\$41,500) and NetVersant Solutions LLC – Catalogs and Class II – IV (\$358,500) for labor, parts and materials for the installation of telephone and data cable in the estimated multi-vendor amount of \$400,000 (Harris Health System only) for the term March 22, 2013 through March 21, 2014.
- n. approved on the basis of sole source for Sunquest Information Systems, Inc. for software and operating system upgrades for the laboratory in the estimated amount of \$228,009.
- o. approved an exemption from the competitive bid requirements for Baylor College of Medicine for primary medical services to eligible HIV-infected patients in the estimated amount of \$892,772 (Ryan White Grant Funds) for the term March 1, 2013 through February 28, 2014.
- p. approved the University of Texas Health Science Center at Houston (Department of General Medicine) for primary medical care services to eligible

HIV infected patients in the amount of \$468,235 (Ryan White Grant Funds) for the term March 1, 2013 through February 28, 2014.

- q. approved the Studio Red Architects for the recladding architectural design and mechanical systems evaluation report for the Holly Hall Administration Building in the estimated amount of \$304,000.
- r. approved the first of four (4) renewal options for American Art Resources for art consulting services, artwork and installation for the Lyndon B. Johnson General Hospital building expansion in the estimated amount of \$125,000 for the term March 15, 2013 through March 14, 2014. (This item was approved separately.)
- s. approved the award on the basis of only bid received for C.F. McDonald Electric, Inc. for labor, material, equipment, and incidentals required for the electrical bus duct replacement project at Ben Taub General Hospital in the amount of \$362,416 (\$329,469 for construction and \$32,947 for owner contingency).
- t. approved the first of four (4) renewal options for InformedRX – Pharmacy Benefit Manager Services and CIGNA Health & Life Insurance Company – Medical Stop Loss Coverage for pharmacy benefit manager services and medical stop loss coverage in the estimated amount of \$7,094,009 for the term March 1, 2013 through February 28, 2014.
- u. approved the first of four (4) renewal options for MHN Services for employee assistance program during critical and non-critical events in the estimated amount of \$122,582 for the term March 1, 2013 through February 28, 2014.
- v. approved the second of four (4) renewal options for Davis Vision, Inc. – Vision (\$757,352), Standard Life Insurance (The Standard) – Basic Life and AD&D (\$1,841,826) and UnitedHealthcare Insurance Company – Dental (\$3,640,403) to provide employee benefits in the estimated multi-vendor amount of \$6,239,581 for the term March 1, 2013 through February 28, 2014.
- w. approved the first of four (4) renewal options for Life Insurance Company of North America, Cigna Company for long term disability coverage for full-time employees in the estimated amount of \$1,009,441 for the term March 1, 2013 through February 28, 2014.
- x. approved the Metropolitan Transit Authority of Harris County, Texas for continued participation as a RideSponsor which encourages employees to utilize public transportation to and from work in the estimated amount of \$200,000 for the term April 3, 2013 through April 2, 2014.
- y. approved the third of four (4) renewal options for Press Ganey Associates, Inc. for continued surveys that enable improvement services to patients in the estimated amount of \$626,649 for the term March 1, 2013 through February 28, 2014.
- z. ratified on the basis of best contracts for Bio-Rad Laboratories (\$50,290) and Johnson & Johnson Health Care Systems, Inc. (\$428,932) for various reagents for analysis of blood tests using blood bank analyzers in the estimated multi-vendor amount of \$479,222 for the term February 1, 2013 through January 31, 2014.
- aa. approved the additional budgeted funds for The Methodist Hospital for payment of large claims for two (2) cardiac patients in the estimated additional budgeted amount of \$200,000 for the term July 1, 2012 through June 30, 2013

(Board previously approved funds in the amount of \$487,919 for the term July 1, 2012 through June 30, 2013). (Ms. Truesdell and Mr. Finder recused themselves.)

- bb. approved an exemption from the competitive bid requirements for The Turning Point Group for incorporating the Harris Health Experience with medical school partner training and new hire orientation, provide assessments, create curriculum and develop training materials, and facilitate new clinic design to support new patient experience in the amount of \$221,500 for the term of March 1, 2013 through February 28, 2014.
- cc. approved a revised term and amount for Mental Health and Mental Retardation Authority of Harris County (MHMRA) for security services in the corrected amount of \$249,060 for the revised term of September 1, 2012 through August 31, 2013 with one-year continuous renewal options until terminated (Board previously approved the funds in the amount of \$484,000 to provide for both housekeeping and security services).
- dd. approve the purchase on the basis of lowest complete quote for STERIS Corporation (PP-OR-589, PP-OR-595) for operating room lights and booms with video integration and flat panel monitors, anesthesia columns, operating room tables, exam lights and warming cabinets for five (5) operating rooms in Lyndon B. Johnson General Hospital Westland Specialty Clinic for the amount of \$828,848.
- ee. approved the renewal for Carahsoft Technology Corporation (DIR-SDD-889) for maintenance for various SAP Business Objects software in the estimated amount of \$170,495 for the term March 16, 2013 through March 15, 2014 (Business Objects Xcelsius) and March 28, 2013 through March 27, 2014 (Business Objects Explorer & Web Intelligence).

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

- a. transmittal of the first of four (4) renewal options for Discovery Benefits, Inc. to provide Harris Health System employees group flexible spending accounts for healthcare and dependent care in the estimated amount of \$65,938 for the term March 1, 2013 through February 28, 2014.
- b. transmittal on the basis of lowest quote for Netsync Network Solutions (DIR-SDD-1372) to provide Cisco network switches to replace existing switches which need to be replaced in the amount of \$81,931.
- c. transmittal of the first of four (4) renewal options for Zeno Imaging (Category II) to provide facsimile machines in the estimated amount of \$59,250 (Harris Health System only) for the term March 1, 2013 through February 28, 2014.
- d. transmittal of third-year funding for the GPO contracts for Medela, Incorporated (PP-WC-056) (\$7,283) and Evenflo Company, Inc. (PP-WC-057) (\$75,400) to provide breast pumps, ointments, educational materials, garments and other accessories used during the lactating process in the estimated multi-vendor amount of \$82,683 for the term April 1, 2013 through March 31, 2014.
- e. transmittal of additional budgeted funds and an extension for Praxair Healthcare Services, Inc. to provide bulk liquid oxygen, tanks and various gases for patient care in the additional budgeted amount of \$52,460 for the extended term February 1, 2013 through March 31, 2013 (Board previously approved

funds in the amount of \$360,989 for the term February 1, 2012 through January 31, 2013).

- f. transmittal of purchase for Pitney Bowes, Inc. (985-L1) to provide for continued lease, support and maintenance of mail equipment, mail sorting services and the SendSuite[®] shipping software application in the estimated amount of \$71,606 for the term November 1, 2012 through October 31, 2013.
- g. transmittal of the purchase on the basis of product standardization for Dräger Medical, Inc. (PP-OR-778) to provide one (1) anesthesia unit required for the Gastroenterology Lab expansion at Lyndon B. Johnson General Hospital in the amount of \$60,666 for the term June 2012 through June 2013.
- h. transmittal of the purchase for Johnson & Johnson Health Care Systems, Inc. distributed through Advanced Sterilization Products (PP-OR-819) to provide a sterilization system that is required to meet the Association of periOperative Registered Nurses (AORN) standards and sterilization guidelines for flexible endoscopes in the amount of \$51,974.
- i. transmittal of the purchase on the basis of best contract for Siemens Medical Solutions USA, Inc. (PP-IM-189) to provide one (1) analog radiographic X-ray unit for the new Lyndon B. Johnson General Hospital Surgery Suite and Specialty Clinic in the amount of \$92,000.
- j. WITHDRAWN.
- k. transmittal of additional budgeted funds for P&W Architects, L.L.P. to provide additional funds required for construction administration services for the electrical system operating room medical boom replacement project in the estimated additional budgeted amount of \$5,925 (Board previously approved funds in the amount of \$299,135).
- l. transmittal of exemption from the competitive bid requirements for Baylor College of Medicine – Division of Health Services to provide care, at a variety of locations, for homeless HIV positive patients in the estimated amount of \$67,080 for the term September 1, 2012 through August 31, 2013.
- m. transmittal of the second of four (4) renewal options for Sterling Readiness Rounds, LLC to provide best practice tracer templates used to capture DNV measures of success and provide a centralized method of validating levels of compliance in the estimated amount of \$94,410 for the term March 24, 2013 through March 23, 2014.

Dr. Santos addressed V.F. (Interlocal Agreement with Harris County) clarifying that the Interlocal agreement is with Harris County and not Harris County Hospital District d/b/a Harris Health System as reflected on the agenda.

Mr. Finder requested clarification on items V.B. (Facility Use Agreements between Harris Health System and Montrose Center) and V.C. (Facility Use Agreements between Harris Health System and Bering Omega Community Services). Ms. Leal assured the Board that a “hold harmless” or indemnity clause will be implemented into all agreements between Harris Health System and outside agencies using Harris Health System’s facilities.

Motion 13.02-24

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

- B. Approval to Renew a Facility Use Agreement between the Harris County Hospital District d/b/a Harris Health System and Montrose Center to Provide Behavioral Health Group Support Counseling to Eligible HIV-Infected Patients for the term of March 1, 2013 through February 28, 2014.
- C. Approval to Renew a Facility Use Agreement between the Harris County Hospital District d/b/a Harris Health System and Bering Omega Community Services to Provide Housing Assistance and Placement to Eligible HIV-Infected Patients for the term of March 1, 2013 through February 28, 2014.
- D. Approval to Correct Board Motion #11.2-23(P) in Connection with the Abandonment and Sale of Portions of McGee Street, Troost Street and Hoffman Road.
- E. Approval to Enter Into Lease Option 16 of the Lease Agreement between Harris Health System and the City of Pasadena for Approximately 35,564 Square Feet of Space for the Strawberry Health/Eligibility Center, in the amount of \$10,423.89 per month for the term March 1, 2013 through February 28, 2014.
- F. Approval to Enter into a New Interlocal Agreement with Harris County to Provide Wage Rate Compliance Services, Including Insurance and Bond Verification Services, for Harris Health System's Capital Improvement Construction Projects, in the amount of \$64,678 for the term March 1, 2013 through February 28, 2014.
- G. Approval of the Second Amendment to Harris County Hospital District Employee's Deferred Compensation Plan to be effective January 1, 2013.
- H. Approval of the Fourth Amendment to Harris County Hospital District 401K Plan to be effective January 1, 2013.
- I. Approval of the Appointment of Ms. Diane Poirot to the Harris County Hospital District 401K & 457(b) Administrative Committee to be effective February 28, 2013.
- J. Approval of the Appointment of Ms. Diane Poirot to the Harris County Hospital District Pension and Disability Committee to be effective February 28, 2013.
- K. Ratification of an Agreement between Harris County Hospital District d/b/a Harris Health System and Craven & Plummer, Inc., for Prenatal/Post-Partum Dental Services for Title V Eligible Patients in an amount not to exceed \$200,000 for the period February 1, 2013 to August 31, 2013.
- L. Approval of an Agreement between the Harris County Hospital District d/b/a Harris Health System and Harris County Public Health and Environmental Services Funded Under Part A of the Ryan White HIV/AIDS Treatment Extension Act of 2009 to Provide Primary Medical Care, Medical Case Management, and Obstetric and Gynecological Services to Eligible HIV-Infected Patients in the amount of \$1,618,715 for the term of March 1, 2013 through February 28, 2014.

VI. Reports of the Committees

A. Joint Conference Committee

1. Acceptance of the Medical Executive Board Report.

Dr. Santos presented the Medical Executive Board Report for February 2013 and reviewed the report with the Board. Dr. Ko stated that Dr. Hoxhaj, at the committee meeting, had given a detailed report on the status of the Emergency Center through-put highlighting options for inpatient and outpatient solutions. Dr. Ko also discussed the Utilization Review Committee Report by Dr. Foringer, highlighting staffing issues in the Transfer Center and discussing the Center's difficulty in managing 3,000 calls per month. Harris Health System has the same volume of calls as other centers; however, our ability to manage the volume of calls is limited and this creates a significant challenge for the

physicians. Dr. Santos requested a monthly report on the correlation between the new hires, patient wait times and medical screening times. In addition, Ms. Stiner requested a report on the new hires and their impact on the budget. Discussion ensued. A copy of the Medical Executive Board report is available in the permanent record.

Motion 13.02-25

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

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

Dr. Santos presented the credentialing changes for members of the Harris Health System medical staff for February 2013. Dr. Ko stated that Dr. Michael C. Braun has withdrawn his resignation and stated that Drs. Elizabeth Elliott and Lillian Ebuoma have been verified as current on all registrations and/or licenses and are no longer on the pending list. However, Ms. Truesdell noted that Dr. Natalia Ninon Sanchez's Drug Enforcement Administration (DEA) registration expired as of February 28, 2013 and will need to be addressed soon. Discussion ensued. Copies of the reports are available in the permanent record.

Motion 13.02-26

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

4. Acceptance of the Harris Health System's Affiliated Medical Services Budget and Relative Value Unit Analysis Follow-Up Auditor's Report.

Dr. Santos presented Harris Health System's Affiliated Medical Services Budget and Relative Value Unit Analysis Follow-Up Auditor's Report. He stated that he would like an update on the progress of amending the revised agreement which would prevent HCCS from having increased payments in relation to fee collections from Baylor and University of Texas. This could be accomplished by standardizing rates based on industry standards which would limit HCCS' responsibility to pay if Baylor or UT is unable to obtain standard collection rates. Ms. Beth Cloyd stated that the schools have submitted the collected data and the delta between the standard and actual collection rates can now be evaluated and submitted to the board in the next committee meeting.

Dr. Santos referenced the goals of documenting the internal controls to be utilized by both schools and the Relative Value Unit (RVU) payment adjustments. Discussion ensued. A copy of the report is available in the permanent record.

Motion 13.02-27

Moved by Mr. Franklin, seconded by Ms. Stiner, and unanimously passed, that the Board accept the Harris Health System's Affiliated Medical Services Budget and Relative Value Unit Analysis Follow-Up Auditor's Report.

B. Performance Improvement & Patient Safety Committee

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

Dr. Sutton presented the Harris Health System Quality Scorecard and Physician Satisfaction report to the Board. He reviewed the Executive Summary and noted that a formalized benchmarking process will be presented at the next Performance Improvement & Patient Safety Board committee meeting and that there is an ongoing process to improve the patient satisfaction scorecard. Dr. Santos requested that Physician Satisfaction become a monthly agenda item. Discussion ensued. A copy of the report is available in the permanent record.

Motion 13.02-28

Moved by Mr. Franklin, seconded by Ms. Clutterbuck, and unanimously passed, that the Board accept the Harris Health System Quality Scorecard and Physician Satisfaction.

C. Budget and Finance Committee

Mr. Norby presented the January 2013 Financial Report. He reviewed the executive summary and statistical highlights with the Board. Mr. Norby stated that one of the issues being discussed is the outsource volume which is not included in the statistics; however, the outsource volume is more than 5,000 primary care visits to the Federally Qualified Health Center's including several hundred surgical cases. Mr. Norby stated that he will provide an analysis showing a more detailed outsource volume of resources for the Board's review. Significant discussion ensued.

Dr. Santos stated that we need to forge a relationship with other Health Centers to expand our clinical capacity to meet our growing needs. Discussion ensued. Ms. Stiner mentioned that the Board needs to understand the actual capacity of the FQHC's. Discussion ensued. Mr. Norby stated that the average daily census per month was 6% higher than budget, due to the increase in lengths of stay. He stated that the month of January showed a \$7.2M unfavorable adjustment in Account Receivables. Instead of the actual \$66M previously shown, about \$58M is ultimately collectable. A more generic valuation methodology was used in prior years. Discussion ensued. A copy of the report is available in the permanent record.

1. Motion 13.02-29

Moved by Dr. Santos, seconded by Mr. Tijerina, and unanimously passed, that the Board accept the January 2013 Financial Report, subject to audit.

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

2. Motion 13.02-30

Moved by Mr. Franklin, seconded by Ms. Clutterbuck, and unanimously passed, that the Board accept the January 2013 Pension Plan Report, subject to audit.

Mr. Norby presented the January 2013 Investment Report. A copy of the report is available in the permanent record.

3. Motion 13.02-31

Moved by Dr. Santos, seconded by Ms. Stiner, and unanimously passed, that the Board accept the January 2013 Investment Report, subject to audit.

4. Motion 13.02-32

Moved by Mr. Franklin, seconded by Dr. Santos, and unanimously passed, that the Board approve the ratification of the Fifth Amendment to the Third Amended Administrative Services Agreement between the Harris County Hospital District d/b/a

Harris Health System and Community Health Choice, Inc. A copy of the report is available in the permanent record.

5. **Motion 13.02-33**

Moved by Mr. Franklin, seconded by Ms. Stiner, and unanimously passed, that the Board approve the designation of the Chief Financial Officer of Harris Health System as the Plan Administrator for the Harris County Hospital District Employee's Deferred Compensation Plan and 401K Plan.

Mr. Janda presented the 2013 Financial and Capital Budget of Community Health Choice, Inc. and reviewed the operating revenue and expenses with the Board. A copy of the report is available in the permanent record.

6. **Motion 13.02-34**

Moved by Mr. Franklin, seconded by Ms. Stiner, and unanimously passed, that the Board approve the 2013 Financial and Capital Budget of Community Health Choice, Inc.

7. Presentation of December 2012 Financial Statements for Community Health Choice, Inc.

Mr. Janda presented the December 2012 Financial Statements for Community Health Choice, Inc. and reviewed the financial summaries and the financial statements in detail with the Board. A copy of the report is available in the permanent record.

8. Presentation of January 2013 Financial Statements for Community Health Choice, Inc.

Mr. Janda presented the January 2013 Financial Statements for Community Health Choice, Inc. and reviewed the financial statements in detail with the Board. He anticipates that the statement should improve over the next several months. Discussion ensued. Mr. Janda stated that the financial statements must be certified by outside actuaries. He believes the loss is largely due to the flu season and the 5% premium rate reduction effective September 1, 2012. Discussion ensued. A copy of the report is available in the permanent record.

D. Planning and Operations Committee

1. Ratification of an Agreement between the Harris Health System and Bristol-Myers Squibb Patient Assistance Foundation, Inc., to Participate in the Bristol-Myers Squibb Patient Assistance Foundation Hospital Outpatient Assistance Program at no costs.
2. Ratification of an Agreement between Harris County Hospital District d/b/a Harris Health System and Community Health Choice, Inc., 2012 Community Benefits Program including \$1.5M paid to Harris Health System from Community Health Choice, Inc. for diabetes education and case management.
3. Ratification of a Letter of Agreement between the Harris County Hospital District d/b/a Harris Health System and the Texas Southern University College of Pharmacy and Health Sciences for the implementation of the Patient Centered Care Collaboration to Improve Minority Health (PCCC Initiative) for the term November 1, 2012 through September 29, 2013.

Ms. Clutterbuck referenced that the Letter of Agreement between the Harris County Hospital District d/b/a Harris Health System and the Texas Southern University College of Pharmacy and Health Sciences has several typos that need to be corrected. Mr. Finder requested clarification that there are no costs or exchange of funds associated with the outpatient program.

Motion 13.02-33

Moved by Mr. Franklin, seconded by Ms. Stiner, and unanimously passed, that the Board approve the ratification of an Agreement between the Harris Health System and Bristol-Myers Squibb Patient Assistance Foundation, Inc., to participate in the Bristol-Myers Squibb Patient Assistance Foundation Hospital Outpatient Program, the ratification of an Agreement between Harris County Hospital District d/b/a Harris Health System and Community Health Choice, Inc., 2012 Community Benefits Program, and the ratification of a Letter of Agreement between the Harris County Hospital District d/b/a Harris Health System and the Texas Southern University College of Pharmacy and Health Sciences, subject to correction of the typos within the Letter of Agreement. A copy of the report is available in the permanent record.

E. Legislative Committee

1. Update, discussion and possible action regarding activities in Austin relating to regulatory issues impacting Harris Health System, the 83rd Legislative Session, and the Harris Health System legislative platform

Mr. Hillier presented the 83rd Legislative Session activities impacting Harris Health System. He presented a letter estimating the 10-year impact of federal funds on Harris Health System. Discussion ensued. A copy of the report is available in the permanent record.

2. Update, discussion and possible action regarding pending federal legislative, line items and policy issues affecting Harris Health System

Mr. Hillier discussed Medicaid expansion and mentioned that the Medicaid add-on payment was beneficial to Harris Health System. Significant discussion ensued. Dr. Santos voiced his concern regarding DSH transfers and his concern that the citizens of Harris County may be funding others in the state. Mr. Hillier stated that in Harris County Judge Ed Emmett's "State of the County" address on Monday, he specifically acknowledged and thanked the Harris County Hospital District Board of Managers for their services. A copy of the report is available in the permanent record.

F. Corporate Compliance Committee

Mr. Reeves presented the revised Harris Health System Policy #3.28 Executive Corporate Compliance Committee Charter. He reviewed the executive summary with the Board. A copy of the report is available in the permanent record.

1. **Motion 13.02-36**

Moved by Dr. Santos, seconded by Mr. Finder, and unanimously passed, that the Board accept the revised Harris Health System Policy #3.28 Executive Corporate Compliance Committee Charter.

Mr. Reeves presented the revised Harris Health System Policy #3.38 Corporate Compliance Officer Duties. A copy of the report is available in the permanent record.

2. **Motion 13.02-37**

Moved by Dr. Santos, seconded by Mr. Finder, and unanimously passed, that the Board accept the revised Harris Health System Policy #3.38 Corporate Compliance Officer Duties.

Mr. Reeves presented the Harris Health System Corporate Compliance Plan. A copy of the report is available in the permanent record.

3. **Motion 13.02-38**

Moved by Dr. Santos, seconded by Mr. Finder, and unanimously passed, that the Board accept the Harris Health System Corporate Compliance Plan.

4. The Annual Harris Health System Board of Managers Compliance Education Session.

Agenda Item VI.D.4. was withdrawn.

VII. Miscellaneous Agenda Items

A. Motion 13.02-39

Moved by Dr. Santos, seconded by Mr. Finder, and unanimously passed, that the Board approve the Resolution Authorizing the Partial Release and Termination of a Use Restriction on approximately 2.8 acres of approximately 16.593 acres of property previously conveyed at a tax sale to Harris County.

Ms. Leal stated that the property was sold in a tax sale, subject to a park restriction. The owner would like to develop the property; therefore the deed needs to be corrected to lift that restriction. A copy of the report is available in the permanent record.

VIII. President/Chief Executive Officer's Report to Include: 1) Harris Health System Organizational Chart & Compensation Analysis; and 2) Report on Alliance for Local Control of Healthcare, and 3) HCHD Foundation Report

Harris Health System Organizational Chart & Compensation Analysis

Ms. Gould presented the Harris Health System Organizational Chart & Compensation Analysis to the Board. She reviewed the executive salaries from other counties and non-profit hospitals, all as publicly available. Discussion ensued. Dr. Santos requested a position functionality report delineating responsibilities associated with each executive position for a more robust evaluation. Ms. Clutterbuck questioned the paid time off policy and the paid time off rate of accrual. Discussion ensued.

Report on Alliance for Local Control of Healthcare

Mr. Lopez presented the report on Alliance for Local Control of Healthcare to the Board.

HCHD Foundation Report

Mr. Lopez mentioned that a report on the Foundation will be submitted in May.

IX. Executive Session

At 11:50 a.m., Ms. Truesdell 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 and 072. Ms. Truesdell stated that the regular meeting of the Board would reconvene at the close of Executive Session.

XI. Reconvene

At 1:10 p.m., Ms. 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.

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. Discussion regarding the Acquisition of Real Property in Connection with the Harris Health System's 2015 Strategic Plan, pursuant to Tex. Gov't Code Ann. §551.072, and Possible Action Regarding this Matter Upon Return to Open Session.

No action taken.

- D. Consultation with the County Attorney regarding an Automobile Claim filed by Shankar Gopinath, MD, pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session.

Motion 13.02-38

Moved by Mr. Tijerina, seconded by Ms. Stiner, and unanimously passed, that the Board authorize a settlement of an automobile claim filed by Shankar Gopinath, MD in the amount of \$1,149.98. David S. Lopez, President/CEO, is authorized to execute any agreement, release or other necessary documents to effect this settlement.

- E. Consultation with the County Attorney regarding Case No. 4:12-CV-02855; *Aetna Life Insurance Company v. Harris County Hospital District*; In the United States District Court for the Southern District of Texas, pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session.

Motion 13.02-39

Moved by Mr. Tijerina, seconded by Ms. Clutterbuck, and unanimously passed, that the Board authorize an additional \$50,000 to the engagement of Fulbright & Jaworski L.L.P. for employee benefit matters. 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 a possible claim by a Harris Health System patient, pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session.

No action taken.

- G. Consultation with the County Attorney regarding payment by MHealth, Inc., pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session.

Motion 13.02-40

Moved by Mr. Tijerina, seconded by Ms. Stiner, and unanimously passed, that the Board authorize the settlement in connection with services provided to a member of MHealth, Inc. and payment to Harris Health System in the approximate amount of \$26,193.14. David S. Lopez, President/CEO, is authorized to execute any agreement, release or other necessary documents to effect this settlement.

XII. Adjournment

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

There being no further business, the meeting adjourned at 1:12 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 February 28, 2013.

Ms. Carolyn Truesdell, Acting Chair
Board of Managers

Mr. E. Dale Wortham, Secretary
Board of Managers

Recorded by Diana Trevino Vasquez