

HARRIS HEALTH SYSTEM

HARRIS HEALTH SYSTEM MINUTES OF THE BOARD OF MANAGERS MEETING

Thursday, August 29, 2013

Board Room – Administration Building

BOARD MEMBERS PRESENT

Ms. Carolyn Truesdell, Chair
Mr. Elvin Franklin, Jr., Vice Chair (left at 10:33 a.m.)
Ms. Daisy Stiner
Ms. Anne Clutterbuck (left at 11:14 a.m.)
Mr. Lawrence Finder (left at 10:58 a.m.)
Dr. George Santos
Mr. TJ Tijerina
Mr. E. Dale Wortham

BOARD MEMBERS ABSENT

Mr. Stephen DonCarlos

OTHERS PRESENT

Mr. David Lopez, President & Chief Executive Officer
Mr. George Masi, Chief Operations 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
Attorney Mercedes Leal, Harris County Attorney's Office
Mr. DeWight Dopslauf, Harris County Purchasing Agent
Ms. Vivian Groce, Harris County Assistant Purchasing Agent
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 De La Rosa, Commissioner El Franco Lee's Office
Ms. Robyn Codner, 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 9:04 a.m. and noted that a quorum was present. The attendance was recorded.

II. Approval of Minutes of Previous Meeting

Motion 13.08-106

Moved by Dr. George Santos, seconded by Mr. Lawrence Finder, and unanimously passed, that the Board approve the minutes of July 9, 2013 (Rescheduled from June 27, 2013) and July 25, 2013 Board of Managers meetings.

III. Announcements/Special Presentations

A. Special Presentation

Ms. Carolyn Truesdell, Chair, presented a Board Member Service Award to Dr. Atul Varadhachary for his exemplary service and unwavering commitment to Harris Health System's mission.

B. Special Recognition

Dr. Ericka Brown, recognized Mr. Peter Rodriguez for being the recipient of the L. Joel Martinez Award from the Legacy Foundation for his outstanding service and commitment to Houston's Homeless and HIV/AIDS community.

C. Ribbon Cutting Ceremony was presented out of order. Please refer to page 12.

IV. Hear from Citizens

Ms. Cynthia Cole, Executive Director, Houston Local #1550 of AFSCME, addressed the Board regarding Harris Health System employee relations issues.

Mr. Walter Protheroe addressed the Board regarding the lack of response from Harris Health System Administration in regards to several letters of complaint submitted to the staff.

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

Motion 13.08-107

Moved by Mr. Elvin Franklin, Jr., seconded by Ms. Anne Clutterbuck, and unanimously passed, that the Board approve agenda items V.A(1)a. – V.A(1)rr.

A. Item Related to Purchasing

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

- a. ratify purchase on the basis of sole source for Texas Medical Center to provide 1,600 parking spaces at various locations in the estimated amount of \$1,219,200 for the term January 1, 2013 through December 31, 2013.
- b. approve change to the Agreement for Harris County which allows Harris Health System access to Harris County's radio communications system in the amount of \$0 for the term November 5, 2012 through November 4, 2013.
- c. approve the first of four (4) renewal options for DSG, Inc., a Texas Corporation d/b/a Sign Shares to provide interpreter services for hearing impaired persons in the estimated amount of \$186,000 for the term September 1, 2013 through August 31, 2014.
- d. ratify the final renewal option for MexConex USA, LLC dba Nurses Now International to provide bilingual (Spanish/English) Registered Nurses for long-term temporary employment in the estimated amount of \$1,400,000 for the term July 9, 2013 through July 8, 2014.

- e. rescind award for UCB, Inc. to provide collection services for overdue patient accounts for a one year initial term with (4) one-year renewal options.
- f. ratify/approve the first of four (4) renewal options for FMA Alliance, Ltd. (Bad Debt Services - \$500,000), NCO Financial Systems, Inc. (Bad Debt Services - \$500,000), and Firstsource Solutions USA, LLC (Early-Out Services - \$1,000,000) to assist in recovering overdue payments in the multi-vendor estimated amount of \$2,000,000 for the terms June 12, 2013 through June 11, 2014 (FMA Alliance, Ltd.), June 13, 2013 through June 12, 2014 (Firstsource Solutions USA, LLC), and October 22, 2013 through October 21, 2014 (NCO Financial Systems, Inc.).
- g. approve the second of four (4) renewal options for Alliant Insurance Services, Inc. to provide comprehensive advisory services to assist Human Resources in the areas of health and welfare benefit plan strategy and management in the estimated amount of \$263,675 for the term October 1, 2013 through September 30, 2014.
- h. approve purchase on the basis of low quote per item for Executive Office Concepts c/o J Tyler (\$30,004), Staples- Business Interiors (\$54,378), Jimenez Contract Services (\$61,341), Vanguard Environments (\$84,270), McCoy-Rockford Inc. (\$110,621), National Office Furniture c/o J Tyler (\$172,789), and Facility Interiors (\$345,119) to provide office furniture for the tower project at Ben Taub Hospital in the multi-vendor amount of \$858,522.
- i. approve guaranteed maximum price for JE Dunn Construction to provide construction services to renovate, upgrade, and/or convert Units 3C and 6B from four-bed patient rooms to two-bed semi-private rooms at Ben Taub Hospital in the total amount of \$1,892,696 (construction price-\$1,752,496; owner contingency-\$140,200).
- j. approve guaranteed maximum price for JE Dunn Construction to provide construction services to renovate, upgrade, and/or convert Units 3A and 4A from four-bed patient rooms to two-bed semi-private rooms at Lyndon B. Johnson Hospital in the total amount of \$1,909,533 (construction price-\$1,768,086; owner contingency-\$141,477).
- k. approve additional (budgeted) funds for HDR Architecture, Inc. to provide revisions to IDF rooms, record drawings, additional power/data in conference rooms, and laboratory changes at the old Ben Taub Hospital in the estimated additional amount of \$170,112 (Board previously approved funds in the amount of \$3,659,335).
- l. approve additional (budgeted) funds for Wilson Architectural Group, Inc. and ESPA, Corporation to re-design the decontamination and sterilization suites on the third floor of the Outpatient Center and the LBJ Specialty Clinic CR Imaging suite number 2 in the estimated additional amount of \$140,000 (Board previously approved funds in the amount of \$3,879,661).
- m. approve additional (budgeted) funds for Oracle USA, Inc. to provide additional licensing and support services for PeopleSoft Enterprise Financials, Human Resources Management Systems and ePerformance application software in the estimated additional amount of \$179,279 for the term March 2, 2013 through March 1, 2014 (Board previously approved funds in the amount of \$565,432 for the same term).

- n. approve purchase on the basis of lowest quote for INX LLC, a Presidio Company (DIR-SDD-1386) to provide maintenance for Symantec Anti-Virus Software in the amount of \$103,514 for the term September 30, 2013 through September 29, 2014.
- o. approve extension for The University of Texas Health Science Center at Houston on behalf of its Gulf Coast Regional Extension Center to complete technical assistance and consultation related to electronic health records as stipulated in the Agreement with no additional revenue for the extended term September 2, 2013 through April 5, 2014.
- p. approve purchase for IBM through Mark III Systems, Inc. (DIR-SDD-2106) to provide maintenance and support services for IBM hardware and software in the estimated amount of \$806,527 for the term September 1, 2013 through August 31, 2014.
- q. approve the first of four (4) renewal options for Elekta, Inc. to provide software and maintenance support for the oncology information system and hardware maintenance and support for the treatment planning system for the Elekta linear accelerators at Smith Clinic in the estimated amount of \$304,953 for the term August 27, 2013 through August 26, 2014.
- r. approve award on the basis of best proposal meeting requirements for CareFusion Solutions, Inc. to provide rental and maintenance of the automated medication and dispensing cabinets at Ben Taub, Lyndon B. Johnson and Quentin Mease Hospitals, and Smith Clinic in the estimated amount of \$1,425,257 (Annual Lease-\$1,020,384; Annual Service and Support -\$404,873) for a one year initial term with four (4) one-year renewal options.
- s. approve purchase on the basis of best contract for Ricoh USA, Inc. to provide 298 photocopiers with scanning capability, service and supplies in the estimated amount of \$421,896 for a one year initial term with four (4) one-year renewal options.
- t. approve renewal for Harris County to utilize the Premier Inc. Group Purchasing affiliation with the Harris County Hospital District Foundation to purchase goods and services in the amount of \$0 for the term October 12, 2013 through October 11, 2014.
- u. approve third year funding of the GPO contract for Kimberly-Clark Corporation (PP-OR-757) to provide sterilization wraps in the estimated amount of \$120,895 for the term September 1, 2013 through August 31, 2014.
- v. approve award on the basis of only proposal received for Terumo Medical Corporation (TMC) to provide neuroendovascular diagnostic and interventional radiology products including balloons, catheters and related products in the estimated amount of \$156,427 for a one year initial term with four (4) one-year renewal options.
- w. ratify purchase on the basis of best contracts for Boston Scientific Company (PP-CA-206) and Medtronic USA, Inc. (PP-CA-207) to provide cardiac rhythm management devices in the multi-vendor estimated amount of \$2,042,649 (Boston Scientific Company - \$630,800/ Medtronic USA, Inc. -\$1,411,849) for the term February 1, 2013 through January 31, 2014.
- x. approve purchase on the basis of sole source for St. Jude Medical to provide Angio-Seal vascular closure devices in the estimated amount of \$143,350 for the term August 29, 2013 through August 28, 2014.

- y. approve purchase on the basis of sole source for Biocompatables, Inc. to provide LC Bead™ Embolization System in the estimated amount of \$165,105 for the term September 12, 2013 through September 11, 2014.
- z. approve purchase on the basis of best contract for Masimo Americas Inc. (Option 3) to provide disposable sensors and connecting cables for the pulse oximetry devices in the estimated amount of \$1,013,097 for a one year initial term with four (4) one-year renewal options.
- aa. ratify third year funding of the GPO contract for Posey Company (PP-NS-677) to provide patient restraints and fall prevention products in the estimated amount of \$179,217 for the term August 1, 2013 through July 31, 2014.
- bb. approve purchase on the basis of lowest priced contract for Praxair Healthcare (PP-MM-185) to provide medical gases in the amount of \$355,627 for a thirty-six month initial term with two (2) one-year renewal options.
- cc. approve awards on the basis of best proposal meeting requirements for Covidien, Cook Medical Inc., and LifeCell Corporation to provide various porcine hernia grafts in the multi-vendor estimated amount of \$584,839 (Covidien - \$178,704, Cook Medical Inc. - \$149,862, LifeCell Corporation - \$256,273) for a one year initial term with four (4) one-year renewal options.
- dd. approve additional (budgeted) funds and an extension for Siemens Healthcare Diagnostics, Inc. (PP-LA-257) to provide chemistry and immunochemistry analyzers, consumables and reagents in the additional amounts of \$1,570,414 for the extended term September 13, 2013 through March 31, 2014 and \$586,683 for the current term September 13, 2012 through September 12, 2013 (Board previously approved funds in the amount of \$2,330,483 for the term September 13, 2012 through September 12, 2013).
- ee. approve the third of four (4) renewal options for Ventana Medical Systems, Inc. to provide analyzers, reagents, consumables and service for immunochemistry staining and special staining systems in the estimated amount of \$756,219 for the term October 1, 2013 through September 30, 2014.
- ff. approve the fourth and final renewal option for Siemens Healthcare Diagnostics, Inc. to provide HIV-1 Genotype testing in the estimated amount of \$233,804 for the term October 1, 2013 through September 30, 2014.
- gg. ratify additional (budgeted) funds and an extension for Laboratory Corporation of America (LabCorp) to provide various clinical reference laboratory testing in the additional amount of \$756,961 for the extended term July 1, 2013 through September 30, 2013 (Board previously approved funds in the amount of \$3,638,960 for the term April 1, 2012 through June 30, 2013).
- hh. ratify additional (budgeted) funds and an extension for DynaGene – a LabCorp Company to provide special reference laboratory testing services in the additional amount of \$101,426 for the extended term August 1, 2013 through October 31, 2013 (Board previously approved funds in the amount of \$405,701 for the term February 1, 2013 through July 31, 2013).
- ii. approve the first of four (4) renewal options for HTS Texas to provide annual inspections, maintenance, and repairs of chillers in the estimated amount of \$165,282 for the term November 1, 2013 through October 31, 2014.

- jj. approve award on the basis of only proposal received for Carl Zeiss Meditech, Inc. to provide mobile Otorhinolaryngology (ENT) and Plastic Surgery Microscopes for the new Outpatient Clinic OR and replacement of the ophthalmology microscope for the Ben Taub Hospital OR in the estimated amount of \$456,254.
 - kk. approve additional (budgeted) funds, corrected and extended term for GE Healthcare to provide remote services and diagnostics of radiology equipment in the additional amount of \$777,203 for the extended term October 1, 2013 through December 31, 2013 (Board previously approved funds in the amount of \$2,158,283 for the extended term July 1, 2011 through September 30, 2013 [corrected]).
 - ll. approve purchase on the basis of best contract for Cardinal Health (PP-LA-328) to provide general laboratory equipment for the Ben Taub Tower Laboratory in the amount of \$123,204.
 - mm. approve purchase on the basis of product standardization to Stryker Medical (PP-IM-199) to replace patient beds in the amount of \$218,949 in March 2013 (expires February 2016).
 - nn. approve purchase on the basis of best contract for Hill-Rom Company, Inc. (PP-MM-195) to replace 100 intensive care unit beds for Ben Taub and Lyndon B. Johnson Hospitals in the amount of \$3,315,325.
 - oo. approve purchase on the basis of best contract for Sorin Group USA, Inc. (PP-OR-799) to provide replacement heart/lung bypass perfusion system (\$188,298) and heater/cooler Unit (\$41,474) for Ben Taub Hospital OR in the amount of \$229,772.
 - pp. approve award on the basis of best proposal meeting requirements for Clinical Resources for Equipment Support Technology Services, Inc. dba CREST Services (Crothall Healthcare) to provide maintenance services for biomedical equipment in the estimated amount of \$304,831 for a one year initial term with four (4) one-year renewal options.
 - qq. ratify additional (budgeted) funds and an extension for Best Care EMS, Ltd. (Primary Vendor), Acadian Ambulance Service, Inc. (Secondary Vendor) and Acute Medical Services LLC (Tertiary Vendor) to provide non-emergency ambulance transportation services in the multi-vendor additional amount of \$394,234 for the extended term August 1, 2013 through November 30, 2013 (Board previously approved funds in the amount of \$500,000 for the term August 1, 2012 through July 31, 2013).
 - rr. ratify the second of two (2) renewal options for Mead Johnson & Company, LLC and Nestle HealthCare Nutrition, Inc. to provide infant and adult nutritional/disease specific formulas in the multi-vendor estimated amount of \$262,594 (Mead Johnson & Company - \$237; Nestle HealthCare Nutrition, Inc. – \$262,357) for the term August 1, 2013 through July 31, 2014.
- A(2). Transmittals of Completed Items **[For Informational Purposes]**
- a. transmittal of award on the basis of only bid received for Loftin Equipment Company to provide preventative maintenance, inspection, repair, rental of emergency generators and related items in the amount of \$67,026 for the term September 1, 2013 through August 31, 2014 with four (4) one-year renewal options.
 - b. transmittal of additional (budgeted) funds and an extension for Abbott Laboratories, Inc. (PP-LA-263 fka PP-LA-205) to provide hematology analyzers, reagents,

- consumables and services in the additional amount of \$54,075 for the extended term September 1, 2013 through October 31, 2013 (Board previously approved funds in the amount of \$751,900 for the term June 1, 2013 through August 30, 2013).
- c. transmittal of purchase on the basis of sole source for ExitCare, LLC to provide maintenance and support for the ExitCare software in the estimated amount of \$52,000 for the term June 9, 2013 through June 8, 2014.
 - d. transmittal of additional (budgeted) funds for Kronos Incorporated to provide additional licenses and maintenance for the Kronos Time, Attendance and Scheduling System in the estimated additional amount of \$96,029 for the term April 28, 2013 through April 27, 2014 (Board previously approved funds in the amount of \$257,135 for the same term).
 - e. transmittal of the third of four renewal options for Vericom Corporation to provide maintenance and support for Vericom software in the estimated amount of \$92,915 for the term October 1, 2013 through September 30, 2014.
 - f. transmittal of purchase on the basis of sole source for Verge Solutions, LLC to provide software license for medical records audit and accreditation system in the estimated amount of \$61,000 for the term September 1, 2013 through August 31, 2014.
 - g. transmittal of second year funding for GPO contracts for 3M Corporation (PP-OR-849) and CareFusion 2200, Inc. (PP-OR-850) to provide surgical hand preps in the multi-vendor estimated amount of \$55,279 (3M Corporation - \$25,583; CareFusion 2200, Inc. - \$29,696) for the term July 1, 2013 through June 30, 2014.
 - h. transmittal of purchase on the basis of low quote for Stryker Endoscopy (PP-OR-1006) to provide laparoscopic suction irrigation products in the estimated amount of \$96,047 for the term May 1, 2013 through April 30, 2014.
 - i. transmittal of purchase on the basis of sole source for Becton Dickinson and Company (BD) (PP-NS-654) to provide disposable sharps canisters in the estimated amount of \$56,811 for the term October 1, 2013 through September 30, 2014.
 - j. transmittal of exemption from the competitive bid requirements for Bryan, Pendleton, Swats & McAllister, LLC to provide actuarial services related to pension and welfare plans in the estimated amount of \$66,000 for the term October 1, 2013 through September 30, 2014.
 - k. transmittal of the fourth and final renewal option for Houston Marriott Medical Center to provide a location and services for various events in the estimated amount of \$95,000 for the term July 23, 2013 through July 22, 2014.
 - l. transmittal of the third of four (4) renewal options for ChemTreat, Inc. to provide water treatment chemicals and services in the estimated amount of \$88,281 for the term October 19, 2013 through October 18, 2014.
 - m. transmittal to correct the job number for Dunbar Armored, Inc. to provide armored car services. Additional funds were approved by the Board of Managers on July 9, 2013 under the incorrect job number - 10/0273. The correct job number for Dunbar Armored, Inc. is 12/0273.

Motion 13.08-108

Moved by Ms. Daisy Stiner, seconded by Mr. TJ Tijerina, Jr., and unanimously passed, that the Board approve agenda items V.B. – V.W.

Motion 13.08-109

Moved by Ms. Daisy Stiner, seconded by Mr. TJ Tijerina, and passed, that the Board rescind Motion 13.08-108 and defer agenda item V.I. to the September 26, 2013 Board of Managers meeting; and approve agenda items V.B. – V.H. and V.J. – V.N. (Eight in favor of agenda items V.B. – V.F., and V.H. – V.N., and seven in favor and one opposed to agenda item V.G.)

- B. Approval of the Harris Health System Charity Program Schedule of Benefits.
- C. Acceptance of the Harris County Auditor's Harris Health System Controlled Substance Inventory Controls Report.
- D. Approval to enter into the 6th term of the Lease Agreement with Warehouse Associates Corporate Centre Kirby III, Ltd, for the Leasing of approximately 117,774 Square Feet of Space Located at 9240 and 9250 Kirby Drive, Houston, Texas 77054 for Offices, Training Rooms, Classrooms and Warehouse Space. The current lease expires November 30, 2013. The 6th lease term is December 1, 2013 to November 30, 2014 at a monthly rate of \$200,215.80 (\$2,402,589.60/yr.).
- E. Approval to enter into Option 1 of the Lease Agreement with Kynto Ventures, LLC for 50 Parking Spaces Located at 6601 Tarneff Drive, Houston, Texas 77074, for the Vallona Health Center. The initial term of the lease expires December 31, 2013. Lease Option 1 is for the term January 1, 2014 through December 31, 2014 at a monthly rate of \$40.00 per space (\$24,000.00/yr.).
- F. Approval of an Agreement between the Harris County Hospital District d/b/a Harris Health System and Baylor College of Medicine to Provide Pass Through Funding From the Strong Start for Mothers and Newborns Initiative for Partial Funding of Baylor Teen Health Clinic Project Director in an amount not to exceed \$4,022.
- G. Approval of an Agreement between the Harris County Hospital District d/b/a Harris Health System and Baylor College of Medicine for Funding of a Social Worker to Support the Operations of the Baylor Teen Health Clinic in an amount not to exceed \$60,078 for one year.
- H. Approval of an Agreement Between the Harris County Hospital District d/b/a Harris Health System and the Pfizer, Inc., to Participate in the Pfizer Sharing the Care Hospital Program.
- I. DEFFERED
- J. Approval of an Agreement Between the Harris County Hospital District d/b/a Harris Health System and Gilead Sciences, Inc., for a Grant in the Amount of \$297,496.00 to Purchase 4th Generation HIV Testing Equipment for the Laboratories at Ben Taub and Lyndon B. Johnson General Hospitals for the Diagnosis and Treatment of Acute HIV Infection. The term of the Agreement commences on September 1, 2013 and will continue for a period of 15 months, unless extended by mutual consent of the parties.
- K. Approval to Renew an Agreement Between the Harris County Hospital District d/b/a Harris Health System and Open Door Mission to Provide On-site Eligibility Registration

- Services to Eligible Homeless Individuals of the Health Care for the Homeless Program for the term November 1, 2013 through October 31, 2014.
- L. Approval to Renew an Agreement Between the Harris County Hospital District d/b/a Harris Health System and Compass to Provide On-site Eligibility Registration Services to Eligible Homeless Individuals of the Health Care for the Homeless Program for the term November 1, 2013 through October 31, 2014.
 - M. Approval to Renew an Agreement Between the Harris County Hospital District d/b/a Harris Health System and Crossroads at Park Place to Provide On-site Eligibility Registration Services to Eligible Homeless Individuals of the Health Care for the Homeless Program for the term November 1, 2013 through October 31, 2014.
 - N. Approval to Renew an Agreement Between the Harris County Hospital District d/b/a Harris Health System and Jackson Hinds Garden to Provide On-site Health Care and Eligibility Services to Eligible Homeless Individuals of the Health Care for the Homeless Program for the term November 1, 2013 through October 31, 2014.
 - O. Approval to renew an Agreement between the Harris County Hospital District d/b/a Harris Health System and The Salvation Army Adult Rehabilitation Center to provide on-site health care and eligibility services to eligible homeless individuals of the Health Care for the Homeless Program for the term November 1, 2013 through October 31, 2014.
 - P. Approval to Renew an Agreement Between the Harris County Hospital District d/b/a Harris Health System and THE S.E.A.R.C.H. to Provide On-site Eligibility Registration Services to Eligible Homeless Individuals of the Health Care for the Homeless Program for the term November 1, 2013 through October 31, 2014.
 - Q. Approval to Renew an Agreement Between the Harris County Hospital District d/b/a Harris Health System and Star of Hope Mission to Provide On-site Health Care and Eligibility Services to Eligible Homeless Individuals of the Health Care for the Homeless Program for the term November 1, 2013 through October 31, 2014.
 - R. Approval of an Agreement and Acceptance of Grant Funding for Epilepsy Services between the Harris County Hospital District d/b/a Harris Health System and the Texas Department of State Health Services for the term September 1, 2013 through August 31, 2013 in an amount not to exceed \$140,130.
 - S. Approval of an Agreement and Acceptance of Grant Funding for Prenatal Health and Prenatal/Post-partum Dental Services between the Harris County Hospital District d/b/a Harris Health System and the Texas Department of State Health Services for the term September 1, 2013 through August 31, 2014 in an amount not to exceed \$86,948.
 - T. Approval of an Agreement and Acceptance of Grant Funding for Title V Child Health Services Between Harris County Hospital District d/b/a Harris Health System and the Texas Department of State Health Services for the term September 1, 2013 through August 31, 2014 in an amount not to exceed \$359,371.
 - U. Approval of an Agreement and Acceptance of Grant Funding for Case Management Services to Children with Special Needs Between Harris County Hospital District d/b/a Harris Health System and the Texas Department of State Health Services for the term September 1, 2013 through August 31, 2014 in an amount not to exceed \$105,000.
 - V. Approval of an Agreement and Acceptance of Grant Funding for Tuberculosis Prevention and Control Services Between Harris County Hospital District d/b/a Harris

Health System and the Texas Department of State Health Services for the term September 1, 2013 through August 31, 2013 in an amount not to exceed \$35,000.

- W. Approval of an Agreement Between the Harris County Hospital District d/b/a Harris Health System and The University of Texas MD Anderson Cancer Center for the Research Study to Reduce Tobacco Related Health Disparities for the term September 1, 2013 through August 31, 2014 in an amount not to exceed \$24,164.

{End of Consent Agenda}

VI. Reports of the Committees

G. Ad Hoc-1115 Waiver Committee, Agenda Item VI.G. was presented out of order.

1. Review and Discussion Regarding State and Regional activities related to Texas' 1115 Waiver **[For Information Only]**

Ms. Beth Cloyd summarized and delineated the Delivery System Reform Incentive Payments (DSRIP) Harris County Public Infrastructure Department (PID) Construction Projects and the DSRIP Harris Health Construction Projects projected risk values. She highlighted the estimated value, cost, and risk associated with each project for Distribution Year 3 (DY3). She noted that if operational metrics are not achieved for DY3, the projected total risk associated with the PID Construction Projects is \$45,572,443 and the projected total risk associated with Harris Health Construction Projects is \$14,214,602. Ms. Cloyd stated that all Harris Health DSRIP Projects have been submitted to the Center for Medicare and Medicaid Services and that the notice of approvals is expected the week of September 9th. Discussion ensued. Dr. Santos requested a quarterly report on the non-Harris Health DSRIP Projects. A copy of the report is available in the permanent record.

D. Planning and Operations Committee, Agenda Item VI.D. was presented out of order.

Items Related to Building and Properties

Motion 13.08-110

Moved by Mr. Lawrence Finder, seconded by Ms. Anne Clutterbuck, and unanimously passed, that the Board approve agenda item VI.D.1.

1. Consideration of Approval of Expenditure of Funds for the Development of Six (6) New Community-Based Clinics, Two (2) Hospital-Based Clinics, and the Pharmacy Central Fill Project for Harris Health System's DSRIP Program

Mr. Ronald Johnson stated that the total cost of the DSRIP Construction Projects is \$22,687,220, including \$11.7M allocated to Harris County Public Infrastructure Department (PID) for seven assigned projects and \$2.7M allocated to Harris Health System for information technology and medical equipment costs. He also noted that the Pharmacy Central Fill Project has an allocation of \$8.2M. He indicated that the architectural and engineering services for DSRIP PID Construction Projects conducted by Johnston LLC., will cost \$1.5M. Mr. Franklin clarified that the payments for DSRIP PID Construction Projects will be disbursed as invoices are received. Discussion ensued.

Items Related to Human Resources

2. Review and Discussion Regarding the Harris Health System Family Medical Leave Act (FMLA) Summary and Key Statistics **[Board Deliverable]**

Ms. Lou Gould presented the Board Deliverable regarding the Harris Health Family Medical Leave Act. Ms. Gould stated that intermittent FMLA policies create considerable difficulty for supervisors as they attempt to manage staff vacancies. She clarified that intermittent FMLA can be utilized on an hourly or daily basis. Discussion ensued. A copy of the report is available in the permanent record.

Other Items

3. Review and Discussion of the Status Report Regarding Branding Expenses and Culture Change [**Board Deliverable**]

Ms. Amanda Callaway presented that Status Report Regarding Branding. Ms. Callaway stated that the summary of branding expenses (\$1,156,703) presented to the Board includes current expenses and projections for the next six (6) to eight (8) months. Mr. Finder requested clarification regarding specific factors associated with culture change that Harris Health System is seeking to improve. Mr. Elvin Franklin requested a follow-up report regarding the re-branding initiative including costs related to all signage installed and removed, as well as stationery and other related items. Mr. Finder requested an analysis of the organization's cultural change evidenced by metrics and benchmarks and a chronology of annual goals, as well as the factors that have affected cultural change. Discussion ensued. A copy of the report is available in the permanent record.

Motion 13.08-111

Moved by Dr. George Santos, seconded by Ms. Daisy Stiner, and unanimously passed, that the Board approve agenda item VI.D.4.

4. Consideration of Approval to accept the award of \$416,650 to the Harris County Hospital District from the Department of State Health Services for Breast and Cervical Cancer Services (BCCS) for FY2013-2014

E. Strategic Planning Committee, Agenda Item VI.E. was presented out of order.

Motion 13.08-112

Moved by Mr. Lawrence Finder, and seconded by Ms. Anne Clutterbuck, and unanimously passed, that the Board approve agenda item VI.E.1.

1. Consideration of Approval to proceed with a modified plan to renovate the Ben Taub General Hospital Emergency Center holding area, renovate floors 3 and 4 of the Old Ben Taub Tower to accommodate relocation of the Surgery Specialty Clinics as originally planned, and commission a comprehensive analysis of the impact that construction of additional Operating Rooms plus the supporting infrastructure would have on overall hospital operations

Mr. Masi noted that there was significant discussion related to Ben Taub General Hospital's modified plan to renovate at the Strategic Planning Committee meeting held on Tuesday, August 13, 2013. Discussion ensued. He also announced that the AMS Strategic Planning Retreat will be facilitated by Price Waterhouse on Tuesday, September 3, 2013 at the Marriott Medical Center.

F. Ad Hoc-Community Health Choice, Inc., Committee, Agenda Item, VI.F. was presented out of order.

G. Motion 13.08-113

Moved by Mr. Lawrence Finder, seconded by Ms. Anne Clutterbuck, and unanimously passed, that the Board approve agenda item, VI.F.1.

1. Consideration of Approval of Appointment of Vicki Keiser to the Board of Directors of Community Health Choice, Inc.

Mr. Finder expressed his concern that Ms. Keiser was announced as a member of the Community Health Choice, Inc., Board of Directors, prior to approval from the Harris Health System Board of Managers.

Ribbon Cutting Ceremony, Agenda Item III.C. was presented out of order.

Dr. Ericka Brown introduced the Harris Health Troubleshooting for Health Mobile Unit. She stated that the mobile unit will provide immunizations to children in school-based health programs, churches, and throughout Harris County. The Harris Health Troubleshooting for Health Mobile Unit was purchased with a generous donation from the Harris County Hospital District Foundation. The Ribbon Cutting Ceremony was held in front of the Harris Health System Administration Building.

The Board meeting resumed in the Board Room at 10:38 a.m.

A. Joint Conference Committee

Motion 13.08-114

Moved by Mr. TJ Tijerina, Jr., seconded by Dr. George Santos, and unanimously passed, that the Board approve agenda items VI.A.1 and VI.A.2.

1. Consideration of Approval Regarding the Credentialing Changes for Members of the Harris Health System Medical Staff (August 2013)
2. Consideration of Approval Regarding the Credentialing Changes for Members of the Harris Health System Medical Staff (Pending Items, August 2013)
3. Review and Discussion of the Staffing Advisory Committee's Semi-Annual Evaluation of the Nurse Staffing Plan and Aggregate Staffing Variance

Ms. Angela Russell, Co-Chair of the Staffing Advisory Committee, presented a summary of the Staffing Advisory Committee's Semi-Annual Evaluation which is a statutory requirement in accordance with Texas Health and Safety Code, Chapters 257 and 258. She noted that the evaluation did not indicate any major concerns from the Committee; however, two suggestions for improvement were indicated: 1) addition of an admissions nurse at Ben Taub General Hospital, and 2) addition of a transfer procedure nurse at Lyndon B. Johnson General Hospital. Ms. Russell stated that the Staffing Advisory Committee will examine the requests for improvement and report the findings to the Board of Managers during the next semi-annual report. Ms. Russell also noted that the Staffing Plan Evaluation Trend Report from 2010 to 2013 includes trends from Lyndon B. Johnson and Ben Taub General Hospitals, and Quentin Mease Community Hospital. A copy of each report 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 and Physician Satisfaction, and Patient Satisfaction Report

Dr. Sutton reviewed the Harris Health System Quality Scorecard with the Board. He noted that the scorecard was reviewed at length at the August committee

meeting. He reviewed the areas requiring additional improvement.

Ms. Stiner requested clarification on the low patient satisfaction scores associated with inpatient rooms. Mr. Masi noted that the unsatisfactory metrics were a result of four (4) patients in a room with only one bathroom. He noted that there is a significant correlation between the number of patients in a room and patient satisfaction. Also, Dr. Sutton mentioned that the 2013 Physician and Employee Satisfaction Campaign schedule was provided as a handout. A copy of the report is available in the permanent record.

2. Review and Discussion Regarding the Infection Prevention Report

Dr. Sutton presented the Infection Prevention Report to the Board. Dr. Santos requested clarification regarding the occurrence of higher infection rates in less complicated obstetrics and gynecology cases. Dr. Sutton stated that the infection cases are being investigated to determine the reason the infections are occurring. Dr. Santos requested that the Infection Prevention Report be presented to the Board on a quarterly basis. A copy of the report is available in the permanent record.

3. Review and Discussion Regarding the Restraint Report

Dr. Sutton stated that the Restraint Report is being modified.

4. Review and Discussion Regarding the Medical Screening Exam Process

Dr. Sutton presented the Medical Screening Examination Process. Dr. Santos expressed concern about the medical screening examination patient flow process and indicated that the current procedures need improvement. Dr. Trenchel noted that there is a plan to examine the length of stay by service line and diagnosis. A copy of the report is available in the permanent record.

5. Review and Discussion of Provider Data Regarding Utilization of Locums
[Board Deliverable]

Dr. Brown presented the Utilization of Locums Report to the Board. Dr. Santos requested clarification regarding the difference in compensation between use of locums and Affiliated Medical Services (AMS) physicians. Dr. Brown stated that there is no difference in compensation between the utilization of locums and AMS physicians. She noted that the AMS contract requires physicians to fill vacancies as well as cover extended absences of full-time physicians. A copy of the report is available in the permanent record.

C. Budget and Finance Committee

Motion 13.08-115

Moved by Ms. Daisy Stiner, seconded by Ms. Anne Clutterbuck, and unanimously passed, that the Board accept Agenda Items VI.C.1, VI.C.2 and VI.C.3.

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

Mr. Michael Norby stated that inpatient volume increased by 1.2% greater than budget for the month of July, and that expenses were also higher due to increased inpatient volume and services. He reported that inpatient length of stay was 0.9% less than budget and that inpatient case mix index was 0.8% greater than budget.

Mr. Norby stated that total net revenue of \$98.7M was \$1.6M greater than budget. He reported that total expenses of \$106.1M were \$2.8M greater than the budget of

\$103.2M, noting that salaries and wages were \$0.3M greater than budget. Mr. Norby stated that the operating income for July indicated a loss of \$7.3M compared to a budgeted loss of \$6.1M. Mr. Norby reported that the Harris Hospital System has \$219.1M in unrestricted cash, cash equivalents and investments representing 67 days of cash on hand compared to the prior year's cash of \$533.4M representing 189 days of cash on hand. Discussion ensued. A copy of the report is available in the permanent record.

2. Acceptance of the Harris Health System July 2013 Pension Report Subject to Audit

Mr. Norby presented the Harris Health System July 2013 Pension Report. A copy of the report is available in the permanent record.

3. Acceptance of the Harris Health System July 2013 Investment Report

Mr. Norby presented the Harris Health System July 2013 Investment Report. A copy of the report is available in the permanent record.

Motion 13.08-116

Moved by Dr. George Santos, seconded by Ms. Daisy Stiner, and unanimously passed, that the Board approve agenda item VI.C.4.

4. Approval of purchase on the basis of single source contract for Olympus America Inc. (PP-LA-307) to provide twenty-one (21) Pathology Microscopes for the Ben Taub Hospital Tower's new laboratory to include technology refresh of old microscopes and new microscopes for use within microbiology, cytology, flow cytometry, fine-needle aspiration biopsy and hematology in the amount of \$145,465.

5. Presentation of the July 2013 Financial Statements of Community Health Choice, Inc.

Mr. Richard Lee, Senior Vice President, Finance, Community Health Choice, Inc. presented the July 2013 Financial Statement for Community Health Choice. He reported that Community Health Choice currently has approximately 243,000 members, which is an increase of 8,000 members from the previous year. He also stated that Community Health Choice has a projected revenue of \$6M for 2013 and net income of approximately \$2M-\$3M. He noted that Community Health Choice will increase premiums in September 2013. Mr. Lee also reported that Community Health Choice will participate in the health insurance exchange beginning October 1, 2013. A copy of the report is available in the permanent record.

D. Planning and Operations Committee was presented out of order. Please refer to page 10.

E. Strategic Planning Committee was presented out of order. Please refer to page 11.

F. Ad Hoc-Community Health Choice, Inc., Committee was presented out of order. Please refer to page 12.

G. Ad Hoc-1115 Waiver Committee was presented out of order. Please refer to page 10.

H. 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

Mr. R. King Hillier presented the legislative report. He stated that two members of the Texas House of Representatives, Representative Jim Pitts and Representative John E. Davis are not seeking re-election. Mr. Hillier also stated that on Wednesday, August 14, 2013 Harris Health System Administration hosted a tour of Ben Taub General Hospital for Ms. Laura Holland, General Counsel for Senator John Cornyn.

VII. Miscellaneous Agenda Items

Motion 13.08-117

Moved by Mr. TJ Tijerina, Jr., seconded by Mr. E. Dale Wortham, and unanimously passed, that the Board accept agenda item VII.A.

A. Approval of the Harris Health System 2013 Annual Report

Ms. Amanda Callaway presented the Harris Health System 2013 Annual Report. A copy of the report is available in the permanent record.

VIII. President/Chief Executive Officer's Report to Include: 1) Meeting with Secretary Kathleen Sebelius; 2) Visit from Senator John Cornyn's Office, and 3) Pension Plan Options

Meeting with HHS Secretary Kathleen Sebelius

Mr. Lopez addressed the meeting with Secretary Kathleen Sebelius stating that they discussed the realities of Texas not participating in healthcare reform. He indicated that Ms. Sebelius reconfirmed that it is the state's responsibility to decide whether to participate in healthcare reform/Medicaid expansion.

Visit from Senator John Cornyn's Office

Mr. Lopez stated that his meeting with Ms. Laura Holland, Senator John Cornyn's General Counsel, was insightful and positive. He stated that Ms. Holland acknowledged that the lack of participation in the Affordable Care Act (ACA) presents significant complications for citizens and healthcare providers in Texas. Mr. Lopez stated that the Harris Health Executive Administrators discussed Harris Health System's healthcare programs and initiatives with Ms. Holland in an effort to demonstrate the potential benefit and impact the ACA would have on healthcare for Harris County citizens.

Pension Plan Options

Mr. Lopez addressed the issue regarding former and retired employee pension plan options. He stated that several former and retired employees have inquired about cash payout options of their pension plan benefits. Ms. Gould stated that the impact of this request is currently being examined and that information regarding the number of terminated and vested employees requesting a cash payout, as well as the current cost associated with the payout, will be presented to the Board at the November 2013 Board of Managers Committee Meeting. Mr. Norby mentioned that a cash payout would reduce the amount of operating liability and investment risks to Harris Health System. He noted that individuals who elect to exercise the option of a cash payout will be encouraged to roll-over the funds into a personal IRA or other retirement instruments.

IX. Executive Session.

At 11:43 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 Texas Occupations Code Ann. 551.071. Ms. Carolyn Truesdell stated that the regular meeting of the Board would reconvene at the close of Executive Session.

X. Reconvene

At 12:40 p.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 an automobile claim filed by Demetrice Green, pursuant to Texas Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session.

Motion 13.08-118

Moved by Ms. Daisy Stiner, seconded by Dr. George Santos, and unanimously passed, that the Board adopt the following resolution:

The Harris Health System, by and through its Board of Managers, approves and hereby authorizes payment in connection with the automobile claim filed by Demetrice Green in the amount of \$781.10. Mr. David S. Lopez, CEO of Harris Health, is authorized to execute any agreement, release or any other necessary documents to effect this settlement.

- D. Consultation with the County Attorney Regarding Cause No. 2012-33659; *Eugene Rideaux et al. v. Harris County Hospital District*; In the 80th Judicial District Court of Harris County, Texas, pursuant to Texas Gov't Code Ann. §551.071.

No Action Taken.

- E. Consultation with the County Attorney Regarding Civil Action No. H-11-4224; *Towanna Thompson v. Harris County Hospital District*; In the U.S. District Court for the Southern District of Texas, Houston Division, pursuant to Texas Gov't Code Ann. §551.071.

No Action Taken.

- F. Consultation with the County Attorney, pursuant to Texas Gov't Code Ann. §551.071, regarding a Fair labor Standards Act investigation by the United states Department of Labor (Case ID: 1679342), and possible Action Regarding this Matter Upon Return to Open Session.

Motion 13.08-119

Moved by Ms. Daisy Stiner, seconded by Dr. George Santos, and unanimously passed, that the Board adopt the following resolution:

The Harris Health System, by and through its Board of Managers, approves and hereby authorizes settlement in connection with a Fair Labor Standards Act investigation by United States Department of Labor (Case ID 1679342) in the maximum amount of \$4,115,689.46 and further authorizes David S. Lopez and his designees to execute any

agreement, release, or any other necessary documents to effect settlement of all claims in excess of five and no/100 dollars (\$5.00).

XI. Adjournment

Moved by Dr. George Santos, seconded by Mr. E. Dale Wortham, and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at 12:44 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 August 29, 2013.

Ms. Carolyn Truesdell, Chair
Board of Managers

Ms. Daisy Stiner, Secretary
Board of Managers