

HARRIS HEALTH SYSTEM

HARRIS HEALTH SYSTEM

MINUTES OF THE BOARD OF MANAGERS MEETING

Thursday, January 30, 2014

Board Room – Administration Building

Members Present:

Ms. Carolyn Truesdell, Chair
Mr. Brandon Capetillo
Ms. Anne Clutterbuck
Mr. Lawrence Finder (left at 11:24 a.m.)
Mr. Elvin Franklin, Jr.
Dr. George Santos
Ms. Daisy Stiner
Mr. TJ Tijerina
Mr. E. Dale Wortham

Members Absent

Others Present:

Mr. David Lopez, President & Chief Executive Officer
Mr. Michael Norby, Chief Financial Officer
Ms. Victoria Nikitin, Vice President, Financial Services
Dr. Fred Sutton, Chief Medical Officer
Mr. Tim Tindle, Chief Information Officer
Dr. Robert Trenchel, Sr. Vice President & Administrator, Ben Taub General Hospital
Dr. Jessie L. Tucker, III, Sr. Vice President & Administrator, LBJ Hospital
Ms. Mercedes Leal, Attorney, Harris County Attorney's Office
Dr. Stephen Greenberg, General Director, Affiliated Medical Services
Dr. Tien Ko, Chairman, Medical Executive Board
Ms. Peggy Boice, Judge Ed Emmett's Office
Ms. Monica 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 9:00 a.m., and noted that a quorum was present. The attendance was recorded.

II. Approval of the Minutes of Previous Meetings

Motion 14.01-1

Moved by Mr. Elvin Franklin, Jr., seconded by Mr. TJ Tijerina, Jr., and unanimously passed, that the Board approve the minutes of the December 5, 2013, December 19, 2013 and January 16, 2014 Board of Managers meetings.

III. Oath of Office

Commissioner El Franco Lee administered the Oath of Office to three Board members Mr. Brandon Capetillo, Ms. Daisy Stiner and Mr. E. Dale Wortham.

IV. Appointments to the Nominating Committee

Ms. Carolyn Truesdell, Chair, stated that the election of officers is to occur annually at the February Board meeting. Ms. Truesdell appointed Dr. George Santos to serve as Chair of the Nominating Committee and Ms. Anne Clutterbuck and Mr. Lawrence Finder as members of the Nominating Committee.

V. Announcements/Special Presentations

- A. Special Presentation - Dr. Robert Trenchel, Senior Vice President and Administrator, Ben Taub General Hospital, recognized Dr. Kenneth Mattox, Chief of Staff, Ben Taub General Hospital, for receiving the American Medical Association's Benjamin Rush Award for Citizenship and Community. Dr. Trenchel explained the significance of the award and he cited examples of Dr. Mattox's contributions to public service locally and nationally. Dr. Mattox stated that the award was shared with Harris Health System as a result of the team effort and partnership with the Board, the medical schools, medical staff, healthcare clinics and employees.
- B. Special Recognition – Mr. George Masi, Executive Vice President and Chief Operations Officer, recognized Ms. Lou Gould, Vice President, Human Resources, on her retirement from eleven (11) years of dedicated service to Harris Health System as Vice President of Human Resources. Mr. David Lopez and Ms. Carolyn Truesdell expressed their gratitude to Ms. Gould for her leadership, dedicated work ethic and compassion. Ms. Gould thanked the Board for having the opportunity to help advance the mission of Harris Health System.

VI. Hear from Citizens

Mr. Walter Protheroe stated that Harris Health System Executive Administration has not provided the appropriate response to his concerns.

Ms. Velma Denby, Chair of the Advisory Council-at-Large, stated her concerns regarding the relationship of the Harris Health System administration and the Advisory Council-at-Large.

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

Motion 14.01-2

Moved by Ms. Daisy Stiner, seconded by Mr. Lawrence Finder, and unanimously passed, that the Board approve agenda items VII.A(1)a. - VII.A(1)mm.

Mr. Lawrence Finder recused himself from voting on agenda items A(1)cc., A(1)hh. and A(1)jj. based on his law firm's professional relationships with Siemens Healthcare Diagnostics, Inc., Siemens Medical Solutions, Inc., USA, GE Healthcare OEC Strategic Accounts and GE Healthcare.

A. Items related to Purchasing

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

- a. ratify funding for the Texas Health and Human Services Commission to provide Outstationed Eligibility Advisor/ME Specialist in Health Care Facilities in the estimated amount of \$990,432 for the term September 1, 2013 through August 31, 2014.
- b. ratify the second of four (4) renewal options for Maxim Healthcare Services, Inc. dba Maxim Health Information Services and P2P Staffing Corp. dba MedPartners HIM to provide supplemental temporary certified coding specialists in the estimated multi-vendor amount of \$135,000 for the term January 26, 2014 through January 25, 2015.
- c. ratify additional (budgeted) funds and an extension for Harger Howe & Associates to provide employment recruitment advertising and miscellaneous creative services in an additional budgeted amount of \$140,000 for the extended term January 1, 2014 through March 31, 2014 (Board previously approved funds in the amount of \$524,000 for the term October 1, 2012 through December 31, 2013).
- d. ratify the corrected term and the first of four (4) renewal options for JI Specialty Services, Inc. to provide Workers' Compensation Third Party Administration and Associated Services in the estimated amount of \$149,545 for the term January 1, 2014 through December 31, 2014.
- e. approve the second of four (4) renewal options for MHN Services to provide a group employee assistance program in the estimated amount of \$144,485 for the term March 1, 2014 through February 28, 2015.
- f. approve the second of four (4) renewal options for Life Insurance Company of America, a Cigna Company to provide long-term disability coverage in the estimated amount of \$1,251,608 for the term March 1, 2014 through February 28, 2015.
- g. approve the third of four (4) renewal options for Davis Vision, Inc. – Vision (\$790,140), Standard Life Insurance (The Standard) – Basic Life and AD&D (\$1,989,432) and United Healthcare Insurance Company – Dental (\$4,268, 413) to provide employee benefits in the estimated total multi-vendor amount of \$7,047,985 for the term March 1, 2014 through February 28, 2015.
- h. approve the award on the basis of best proposal meeting requirements for Houston Marriott at the Texas Medical Center to provide hosting facility and food catering services in the estimated amount of \$60,000 for a one-year initial term with four (4) one-year renewal options.
- i. approve renewal for Harris County to provide financial investment services in the estimated amount of \$30,616 for the term February 6, 2014 through February 5, 2015.

- j. approve utilization by Hidalgo County of an existing Harris Health System contract for the Medicaid 1115 Waiver Project Tracking Management Software System in the amount of \$0 for a one-year upon execution with four (4) one-year renewal options.
- k. approve the purchase for Gartner, Inc. (DIR-SDD-2042) to provide benchmarking and operational assessment services in the amount of \$110,510 for one-year upon execution.
- l. approve The University of Texas M.D. Anderson Cancer Center to provide physician services in the estimated amount of \$53,280 for a one-year term upon execution of Agreement.
- m. ratify the third of four (4) renewal options for Stryker Craniomaxillofacial and Synthes USA to provide craniomaxillofacial and neurosurgical craniofacial implants and related product in the estimated multi-vendor amount of \$1,727,000 for the term August 27, 2013 through August 26, 2014.
- n. approve award on the basis of lowest priced proposal for Smith & Nephew to provide antimicrobial silver dressing and related products in the estimated amount of \$172,479 for a one-year initial term with four (4) one-year renewal options.
- o. ratify the second of four (4) renewal options for Integra LifeSciences Corporation (\$86,979), Medtronic USA, Inc. (\$129,569) and Aesculap, Inc. (\$155,723) to provide neurosurgical products in the estimated total multi-vendor amount of \$372,271 for the term October 1, 2013 through September 30, 2014.
- p. approve second year funding for Ethicon Inc. Ethicon Endo-Surgery, Inc., A Johnson & Johnson Company [PP-OR-828] to provide suture products in the estimated amount of \$750,269 for the term February 1, 2014 through January 31, 2015.
- q. ratify purchase on the basis of lowest priced contract for Boston Scientific Corp. [PP-CA-214] to provide drug eluting coronary stents in the amount of \$1,437,500 for the term October 30, 2013 through October 29, 2014.
- r. ratify award on the basis of best contract for Welch Allyn Inc. to provide disposable vaginal speculums and illuminating disposable speculum systems in the estimated amount of \$131,043 for the term November 1, 2013 through October 31, 2014.
- s. approve second year funding for Boston Scientific Company [PP-CA-206] (\$687,034) and Medtronic USA, Inc. [PP-CA-207] (\$1,234,527) to provide Cardiac Rhythm Management Devices in the estimated total multi-vendor amount of \$1,921,561 for the term February 1, 2014 through January 31, 2015.
- t. approve awards on the basis of best proposals meeting requirements for Bausch & Lomb Incorporated (\$148,452) and AMO Sales and Services, Inc. (\$184,018) to provide Ophthalmology Intraocular Lenses (IOL) and other Ophthalmology Supplies in the estimated total multi-vendor amount of \$332,470 for a one-year initial term with four (4) one-year renewal options.
- u. ratify purchase on the basis of best contracts for Medtronic USA Inc. [PP-CA-222] (\$5,950 – Items 131-134), Merit Medical Systems, Inc. [PP-CA-223] (\$17,847 – Items 135-154), Abbott Laboratories Inc. [PP-CA-219] (\$108,150 – Items 105-119) and Boston Scientific Corporation [PP-CA-220] (\$125,415 – Items 1-104) to provide

diagnostic and interventional cardiology products in the estimated total multi-vendor amount of \$257,362 for the term July 1, 2013 through June 30, 2014.

- v. approve purchase on the basis of best contract for 3M [PP-OR-1027] Company to provide various sterile processing products in the amount of \$126,681.
- w. ratify award on the basis of best contract meeting requirements for Sage Products, Inc. to provide oral care in the estimated amount of \$227,631 for the term October 1, 2013 through September 30, 2014.
- x. approve purchase on the basis of lowest priced contract for ICU Medical Inc. to provide infusion sets and accessories – closed chemo system in the amount of \$356,640 for the term February 1, 2014 through January 31, 2015.
- y. approve purchase on the basis of best contract for Baxter Healthcare Corporation [PP-IV-143] to provide pharmacy compounding equipment and admixture supplies in the estimated amount of \$239,729 for the period February 1, 2014 through January 31, 2015.
- z. approve additional (budgeted) funds for Studio Red Architects to provide professional architectural and engineering services in the estimated additional budgeted amount of \$60,000 (Board previously approved funds in the amount of \$304,000).
- aa. ratify additional (budgeted) funds and an extension for UPPI, LLC distributed through Cyclotope [PP-IM-157] to provide Fluorodeoxyglucose radiopharmaceuticals (PET Isotopes) in the additional budgeted amount of \$87,500 for the extended term November 4, 2013 through May 31, 2014 and the additional budgeted amount of \$75,000 for the current term November 5, 2012 through November 4, 2013 (Board previously approved funds in the amount of \$84,000 for the term November 5, 2012 through November 4, 2013).
- bb. approve additional (budgeted) funds for Abbott Laboratories, Inc. [PP-LA-236 fka PP-LA-162] to provide i-STAT blood gas analyzers and reagents in the additional budgeted amount of \$976,635 for the extended term February 1, 2014 through July 31, 2014 (Board previously approved funds in the amount of \$2,577,455 for the term August 1, 2012 through January 31, 2014).
- cc. approve additional (budgeted) funds and an extension for Siemens Healthcare Diagnostics, Inc. [PP-LA-279 fka PP-LA-217] to provide identification and susceptibility analyzers in the additional budgeted amount of \$55,494 for the extended term April 1, 2014 through July 31, 2014 (Board previously approved funds in the amount of \$191,345 for the term September 27, 2012 through March 31, 2014).
- dd. approve additional (budgeted) funds and an extension for bioMerieux, Inc. [PP-LA-276] to provide automated blood culture products and services in the additional budgeted amount of \$70,090 for the extended term April 1, 2014 through July 31, 2014 (Board previously approved funds in the amount of \$799,037 for the term May 1, 2011 through March 31, 2014).
- ee. approve award on the basis of best proposal meeting requirements for Abbott Laboratories, Inc. to provide an automated hepatitis testing system including

analyzer(s), reagents, consumables, and service in the estimated amount of \$750,813 for a one-year initial term with four (4) one-year renewal options.

- ff. approve additional (budgeted) funds and an extension for Bio-Rad Laboratories to provide two whole blood analyzers, reagents and consumables for A1c and variant hemoglobin tests in the additional budgeted amount of \$54,400 for the extended term April 1, 2014 through July 31, 2014 (Board previously approved funds in the amount of \$487,500 for the term October 1, 2009 through March 31, 2014).
 - gg. approve award on the basis of best proposal meeting requirements for Karl Storz Endoscopy-America, Inc. to provide various Ear, Nose and Throat (ENT) surgical instruments in the amount of \$352,458 for a one-year initial term with four (4) one-year renewal options.
 - hh. approve purchase on the basis of best contracts for Siemens Medical Solutions USA, Inc. [PP-IM-190] (\$176,788) and GE Healthcare OEC Strategic Accounts [PP-IM-181] (\$429,840) to provide four (4) replacement mobile radiographic/fluoroscopic mobile C-arm units in the total multi-vendor amount of \$606,628.
 - ii. approve award on the basis of best proposal for Covidien, LLC dba superDimension to provide two (2) bronchoscopy navigation systems and consumables in the amount of \$321,800 for a one-year term.
 - jj. approve purchase on the basis of best contract for GE Healthcare to provide two (2) ultrasound systems in the amount of \$183,246.
 - kk. approve purchase on the basis of lowest priced contract for Cardinal Health 200, LLC to provide general medical equipment in the amount of \$375,819.
 - ll. approve award on the basis of best proposal meeting requirements for Patterson Dental to provide new dental equipment in the estimated amount of \$812,247.
 - mm. approve award on the basis of best proposal meeting requirements for Carl Zeiss Meditec, Inc. to provide surgical neurology microscope in the estimated amount of \$433,509.
- A (2). Transmittals of Completed Items **[For Informational Purposes]**
- a. transmittal of the second of four (4) renewal options for Discovery Benefits, Inc. to provide group flexible spending accounts in the estimated amount of \$73,452 for the term March 1, 2014 through February 28, 2015.
 - b. transmittal of purchase on the basis of single source contract for Kirby Lester LLC [PPPH14KIR01] to provide sixteen (16) compact automated pill counters in the amount of \$67,120.
 - c. transmittal of the first of two (2) renewal options for Merck Sharp & Dohme, Corp., subsidiary of Merck and Co., Inc. to provide outpatient pharmaceutical products in the estimated amount of \$51,220 for the term March 1, 2014 through February 28, 2015.
 - d. transmittal of the third of four (4) renewal options for the Washington Inventory Service dba WIS International to provide physical inventory services for drugs and

devices in the estimated amount of \$70,000 for the term February 1, 2014 through January 31, 2015.

- e. transmittal of purchase on the basis of low quote for NWN Corporation to provide Eaton Uninterruptable Power Supply (UPS) and accessories in the amount of \$58,900.
- f. transmittal of purchase on the basis of low quote for CDW Government, LLC [PP-IT-065] to provide hand-held barcode scanners, LED touch screen monitors and accessories in the amount of \$97,245.
- g. transmittal of additional (budgeted) funds and an extension for Pharmacy Computer Services, Inc. (PCSI) to provide maintenance and support for the Rx/3000 outpatient pharmacy management system and drug information database in the estimated additional budgeted amount of \$86,045 for the extended term February 1, 2014 through August 31, 2014 (Board previously approved funds in the amount of \$197,213 for the term February 1, 2013 through January 31, 2014).
- h. transmittal of renewal on the basis of sole source for McKesson Information Solutions LLC to provide maintenance and support for TRENDSTAR® decision support software in the estimated amount of \$76,080 for the term January 1, 2014 through December 31, 2014.
- i. transmittal of purchase on the basis of sole source for Oracle USA, Inc. to provide PeopleSoft Enterprise Human Capital Management (HCM) Application Software Payroll Tax Updates in the amount of \$50,000 for the term January 1, 2014 through December 31, 2014.
- j. transmittal of purchase on the basis of sole source for Epic Systems Corporation to provide vaccination registry bundle and outgoing patient administration interfaces in the estimated amount of \$64,004 for the a one-year initial term.
- k. transmittal of purchase on the basis of sole source for Epic Systems Corporation to provide software licenses and support for six (6) interfaces needed for the Optum Computer Assisted Coding (CAC) system in the estimated amount of \$93,250 for a one-year initial term.
- l. transmittal of purchase on the basis of lowest complete quote for Dell Marketing, LP to provide VMware software maintenance in the amount of \$95,615 for the term December 14, 2013 through December 13, 2014.
- m. transmittal of third year funding for Maquet, Inc. [PP-AC-192] to provide intra-aortic balloon catheters and pumps in the estimated amount of \$82,619 for the term February 1, 2014 through January 31, 2015.
- n. transmittal of purchase on the basis of low bid for AVID Airline Products of RI, Inc. to provide disposable patient headphones in the amount of \$32,376 for the term December 1, 2013 through November 30, 2014 with four (4) one-year renewal options.
- o. transmittal of purchase on the basis of lowest priced contract for Cardinal Health [PP-LA-328] to provide twenty-four (24) refrigerators and freezers in the amount of \$85,249.

Motion 14.01-3

Moved by Mr. Lawrence Finder, seconded by Mr. Brandon Capetillo, and unanimously passed, that the Board approve agenda items VII.B. – VII.O.

- B. Approval to Rescind the Harris Health System Policy No. 8.01, Reimbursement for Communications Services.
- C. Approval of Exhibit “A” as Amended to the Harris Health System Investment Policy.
- D. Approval to Enter into Lease Option 17 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 not-to-exceed \$11,466.28/month for the term March 1, 2014 to February 28, 2015.
- E. Approval to Remove two committee members as of their respective retirement dates and Acceptance of Committee Nominees to the Harris County Hospital District Pension and Disability Committee effective January 30, 2014.
- F. Approval to Remove Ms. Lou Gould as a committee member of the Harris County Hospital District 401K and 457(b) Administrative Committee effective as of January 31, 2014.
- G. Approval of Schedule D Signature Authority under the Fidelity Trust Agreement for the Harris County Hospital District 401K Plan effective as of January 31, 2014.
- H. Approval to Enter into an Interlocal Agreement with the University of Texas Health Science Center at Houston for the Purpose of Providing Electronic Access to the Medical Records of Patients Who May Need Mental Health Services.
- I. Approval of the Health Care for the Homeless Program Annual Report as Required by the United States Department of Health and Human Services which provides funding to the Harris County Hospital District d/b/a Harris Health System to Provide Health Services to Persons Experiencing Homelessness under Section 330(h) of the Public Health Service Act Health Care for the Homeless Program.
- J. Approval to Ratify an Agreement between the Harris County Hospital District d/b/a Harris Health System and Baylor College of Medicine Funded by the Centers for Disease Control and Prevention (CDC) for the Purpose of Implementing and Evaluating a Comprehensive Prevention for Positives Intervention for HIV-Infected Individuals.
- K. Approval to Ratify an Amendment to an Agreement between the Harris County Hospital District d/b/a Harris Health System and the Dallas County Hospital District, The Parkland Foundation for Texas/Oklahoma AIDS Education and Training Center to Provide State of the Art Education and Treatment, Training and Consultation, and Support to Healthcare Professionals Treating HIV-Infected Patients.
- L. Approval to Ratify a Grant Award from the City of Houston on behalf of its Department of Health and Human Services to the Harris County Hospital District d/b/a Harris Health System funded under the Centers for Disease Control and Prevention (CDC) to Provide Routine Opt-Out HIV Screening to Harris Health System Patients.

- M. Approval to Ratify a Fourth Amendment of the Salary Reimbursement Agreement between the Harris County Hospital District d/b/a Harris Health System and The University of Texas MD Anderson Cancer Center.
- N. Approval to Accept a Three-Year Subaward of \$881,964 to Harris Health System in collaboration with Baylor College of Medicine from The Cancer Prevention and Research Institute of Texas (CPRIT), title “Improving Breast Cancer Screening and Follow-up of Medically Underserved Harris County Residents”.
- O. Approval to Accept a Grant Award between Harris County Hospital District d/b/a Harris Health System and the March of Dimes Foundation for the “Go Before You Show” Bus Card Program.

VIII. Reports of the Committee

A. Joint Conference Committee

Motion 14.01-4

Moved by Dr. George Santos, seconded by E. Dale Wortham, and unanimously passed, that the Board approve agenda item VIII.A.1.

1. Acceptance of the Medical Executive Board Report for January 2014
Dr. Tien Ko, Chairman, Medical Executive Board (MEB), presented the MEB’s report for January 2014. Dr. Ko also stated that the Emergency Center Committee reported that, due to the lack of beds at Ben Taub General Hospital, there was an increase in wait time of over 25% despite improvements to the medical screening process. Dr. Ko also stated that there was an increase in the number of patients leaving the emergency center without being seen and that the administration is working with the medical staff to develop a solution to reduce wait times and improve the bed utilization.

Ms. Carolyn Truesdell requested clarification regarding the parking fund established at Lyndon B. Johnson General Hospital (LBJGH) to assist patients. Dr. Carmel Dyer, Chief of Staff, LBJGH, stated that the fund was established by the medical chiefs to assist patients with parking fees to help reduce the cancellation rate for medical appointments as well as provide some assistance for patients’ inability to pay the parking fees due to financial hardship.

Motion 14.01-05

Moved by Dr. George Santos, seconded by Ms. Daisy Stiner, and unanimously passed, that the Board approve agenda items VIII.A.2 through VII.A.4.

2. Approval Regarding the Credentialing Changes for Members of the Harris Health System Medical Staff (December 2013)
3. Approval Regarding the Credentialing Changes for Members of the Harris Health System Medical Staff (January 2014)
4. Approval Regarding the Credentialing Changes for Members of the Harris Health System Medical Staff (Pending Items, January 2014)

Motion 14.01-6

Moved by Dr. George Santos, seconded by Mr. Brandon Capetillo, and unanimously

passed, that the Board approve agenda items VIII.A.5 – VIII.A.9.

5. Approval Regarding Core Certified Nurse Midwife Clinical Privileges Form for Harris Health System
6. Approval Regarding Community Dentistry Clinical Privileges Form for Harris Health System
7. Approval Regarding Core Oral & Maxillofacial Surgery Clinical Privileges Form for Harris Health System
8. Approval Regarding Internal Medicine-Endocrinology Clinical Privileges Form for Harris Health System
9. Approval Regarding Core Pathology Clinical Privileges Form for Harris Health System

B. Performance Improvement & Patient Safety Committee

The Performance Improvement & Patient Safety Committee met on January 16, 2014 and brings forth the following:

1. Review, Discussion and Possible Action Regarding the Harris Health System Quality Scorecard and Physician Satisfaction Report
 - a. Review and Discussion Regarding Patient Satisfaction Trend Charts

Dr. Fred Sutton presented the patient satisfaction trend charts. Dr. Sutton stated that the patient satisfaction indicators suggest that the major areas for improvement include: communication with nursing staff, response time from medical staff, cleanliness of patient rooms, and quietness in rooms.
 - b. Review and Discussion Regarding the Physician Satisfaction Progress Report

Dr. Sutton presented the physician satisfaction progress report. Dr. Sutton stated that a report delineating measures and action plans to address physician satisfaction concerns will be presented to the Board
 - c. Review and Discussion Regarding the Emergency Center Medical Screening Exam

Dr. Sutton presented the emergency center medical screening exam report. Dr. Sutton stated that a plan of action will be presented to the Board that delineates steps to reduce wait times for emergency center examinations and processing.
2. Review and Discussion Regarding the Harris Health System Quality Restraint and Seclusion Report
 - a. Review and Discussion Regarding Restraint and Seclusion Usage and Compliance

Dr. Sutton presented the Harris Health System quality restraint and seclusion report. He stated that medical staff is implementing quality measures to ensure 100% compliance with Federal and State regulations.
 - b. Review and Discussion Regarding Restraint and Seclusion Documentation

Dr. Sutton presented the Harris Health System restraint and seclusion documentation report. He stated that beginning January 2014, the restraint

and seclusion documentation will include risk-adjusted data as well as quality benchmarks to ensure compliance with Federal and State regulatory agencies.

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

3. Review and Discussion Regarding Ambulatory Care Expanded Access Cumulative Results Report [**Board Deliverable**]

Dr. Ericka Brown, Sr. Vice President and Administrator, Ambulatory Care Services, presented the ambulatory care expanded access cumulative results report. Dr. Brown summarized the results for the year 2013 by listing expanded services such as: increasing hours at the same day clinic at LBJGH, outsourcing to Mi Doctor, and launching Delivery System Reform Incentive Payment (DSRIP) primary care projects. Dr. Brown stated that these expanded services resulted in a total of 13,291 patients receiving care, and that 13% of those patients were new patients to the Harris Health System. Dr. Brown noted recent openings of same day clinics at the LBJGH Outpatient Center on October 10, 2013, the Bayland Geriatric Clinic on January 14, 2014 and the Sareen Clinic on January 24, 2014.

4. Review and Discussion Regarding the Status Report on the Nursing Direct and Indirect Care Analysis [**Board Deliverable**]

Ms. Beth Cloyd, Executive Vice President and Chief Nursing Officer, presented the status report regarding nursing direct and indirect care analysis. Ms. Cloyd stated that the report focuses on registered nurses (RNs) in direct patient care, leadership and support roles. Ms. Cloyd highlighted that 95.6% of RNs provide direct nursing care including RNs working in ambulatory care services. Ms. Cloyd stated that 4.4% of RNs provide support for bedside nurses in the areas of: education and orientation, quality services (i.e., accreditation, information and technology support), practice evaluation, competence assessment, on-boarding of new hires (nurses), and leadership or administration.

Ms. Clutterbuck requested clarification regarding the Institute of Medicine's Magnet Journey criteria and whether Mi Doctor and other expanded services are part of the Magnet standard. Ms. Cloyd stated that Harris Health System does not have a dedicated Magnet program. She stated that Magnet programs foster nursing excellence and nursing satisfaction. Ms. Cloyd also noted that Magnet standards and programs apply to hospital settings and have not yet been applied to ambulatory care providers. Ms. Cloyd highlighted that Harris Health System's criteria for pathway to nursing excellence in patient care are fostered into the daily practice of nursing and that these nursing criteria will be applied to ambulatory care service in the future. Discussion ensued.

Ms. Clutterbuck also requested clarification regarding the low patient satisfaction survey score for nursing services. Ms. Clutterbuck stated that the low score for nursing services may suggest a correlation between the high vacancy rate for RNs and the low patient satisfaction survey scorecard. Ms. Clutterbuck and Dr. Santos requested further analysis of the RN vacancy rate by pavilion and nursing category (i.e., direct patient care, leadership, support roles, etc.). Ms. Clutterbuck and Dr. Santos also requested the data include the raw numbers, the related

percentages and the impact on patient care and nursing operations. A copy of the report is available in the permanent record.

Dr. Santos requested a report that delineates the amount of time nurses are removed from direct patient care to pursue continuing education, work planning and competence assessment. He also requested the inclusion of the related costs and the impact on patient care.

C. Budget & Finance Committee

The Budget & Finance Committee met on January 16, 2014 and brings forth the following items:

Motion 14-01-7

Move by Mr. Elvin Franklin, Jr., seconded by Mr. Lawrence Finder, and unanimously passed, that the Board approve agenda items VIII.C.1. – VIII.C.6.

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

Mr. Michael Norby, Executive Vice President and Chief Financial Officer, presented highlights for the November 2013 Financial Report. He stated that adjusted patient days were 10.2% greater than budget and that clinic visits were 2.7% less than budget. He also stated that emergency center visits were 0.5% greater than budget. Mr. Norby stated that the total net revenue for November 2013 was \$92.7M and that total expenses were \$101.7M. Mr. Norby stated that the operating income for November 2013 was a loss of \$9.3M compared to a budgeted loss of \$9.3M. A copy of the report is available in the permanent record.

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

Mr. Norby presented highlights from the November 2013 Pension Plan Report. Mr. Norby said that the market value of the pension plan was \$561.2M which includes employer contributions of \$34M. A copy of the report is available in the permanent record.

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

Mr. Norby presented highlights from the November 2013 Investment Report. He stated that the investment earnings totaled \$89M. A copy of the report is available in the permanent record.

4. Acceptance of the Harris Health System December 2013 Financial Report Subject to Audit

Mr. Michael Norby, Executive Vice President and Chief Financial Officer, presented the financial statement for December 2013. Mr. Norby said that adjusted patient days were 4.4% greater than budget and that clinic visits were 1.5% greater than budget. Mr. Norby also stated that emergency center visits were 3.7% greater than budget. He said that the total net revenue for December 2013 was \$152M and that total expenses were \$109M. Mr. Norby stated that operating income for December was \$42.9M compared to a budgeted gain of \$45.2M.

Mr. Norby highlighted that in December, 2013, Harris Health System received \$57.5M from the DSRIP Demonstration Year 2 (DYs) funding. He stated that, Harris Health System currently has a positive margin of \$9.9M for FY2014. Mr. Norby also stated that an \$18M deficit is projected at the end of FY2014. A copy of the report is available in the permanent record.

5. Acceptance of the Harris Health System December 2013 Pension Plan Report Subject to Audit

Mr. Norby presented the December 2013 Pension Plan Report. He stated that the market value of the pension plan was \$568.5M which includes employer contributions of \$34M. A copy of the report is available in the permanent record.

6. Acceptance of the Harris Health System December 2013 Investment Report

Mr. Norby presented the December 2013 Investment Report. He stated that the investment earnings totaled \$92M. A copy of the report is available in the permanent record.

7. Presentation of the November 2013 Financial Statements of Community Health Choice, Inc.

Mr. Richard Lee, Sr. Vice President, Finance, Community Health Choice (CHC), Inc., presented the November 2013 financial statements for Community Health. He stated that during November 2013, CHC, Inc. reported a loss of \$1.69M.

8. Presentation of the December 2013 Financial Statements of Community Health Choice, Inc.

Mr. Richard Lee presented the December 2013 financial statements for CHC, Inc. He stated that during December 2013, CHC, Inc. reported a gain of \$184,000. Mr. Lee also reported that year-to-date (YTD) total operating revenue was \$676M, that operating expenses totaled \$673M, and that the net income YTD was \$1.8M. Mr. Lee stated that net assets for CHC, Inc., totaled \$96M.

Motion 14.01-8

Moved by Dr. George Santos, seconded by Mr. Elvin Franklin, Jr., and passed, that the Board postpone approval of the FY2015 Operating and Capital Budget until the February Board meeting. Six in favor; three opposed.

9. Review, Discussion and Possible Action Regarding the FY2015 Operating and Capital Budget

Mr. Michael Norby presented the proposed FY2015 Operating and Capital Budget. Mr. Norby highlighted budget options for plans **A, B, and C**. He stated that for budget option Plan A, the projected net revenue would be \$1.29B with an operating loss of \$59.9M; that for budget option Plan B, the projected net revenue would be \$1.29B with an operating loss of \$24.8M; and, that for budget option Plan C the projected net revenue would be \$1.28B with an operating loss of \$0, a zero balanced budget. Mr. Norby also presented the proposed budget reductions for each budget option and the impact on patient care and services.

Ms. Carolyn Truesdell stated that FY2015 Operating and Capital Budget should be discussed in the Joint Conference Committee. Dr. Stephen Greenberg,

General Director, Affiliated Medical Services (AMS), stated that AMS should be part of the discussion to consider the downstream effect on medical staff and patient services. Ms. Clutterbuck and Dr. Santos proposed that meetings with the Commissioners be scheduled to discuss the proposed FY2015 Operating and Capital Budget deficit. Mr. Elvin Franklin, Vice Chair, proposed a delay on approving the budget to allow members of the Board to review budgeting issues with key stakeholders. Mr. Franklin also encouraged administration to identify additional funding sources (i.e., Federal, State and private grants) to be pursued.

At 11:15 a.m., Ms. Truesdell requested a brief recess.

At 11:20 a.m., the meeting reconvened.

D. Planning & Operations Committee

Items Related to Human Resources

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

1. Presentation and Discussion Regarding the 2013 Employee Satisfaction Survey Report [**Board Deliverable**]. Agenda item VIII.D.1., was presented out of order.

Ms. Linda Daul, Principal Consultant, Press Ganey, presented the 2013 Employee Satisfaction Survey Report. Ms. Daul stated that employee participation in the survey was high as a result of the planning and coordination effort by the Human Resources department. Ms. Daul stated that employee satisfaction and engagement survey scores indicated that employee dedication increased to 55% compared to 53% for the previous year, and that employee discontentment decreased to 18% from 20% from the previous year. Ms. Daul stated that employee detachment decreased to a positive 2% compared to 3% the previous year. Ms. Daul noted that the employee satisfaction survey indicated five areas for improvement: employee participation, employee input, recognition of employees, coaching opportunities with employees and improved communication with employees. A copy of the report is available in the permanent record.

Dr. Santos requested raw data for 2013 Employee Satisfaction Survey be sent to Board members.

Other Items (Other Items, agenda items D.VIII.1 and D.VIII.2., were presented out of order.

Motion 14.01-9

Moved by Ms. Daisy Stiner, seconded by Mr. E. Dale Wortham, and unanimously passed, that the Board approve agenda item VIII.D.1. and VII.D.2.

1. Approval to Ratify the Agreement between the Harris County Hospital District d/b/a Harris Health System and Harris County to Provide Discharge Planning for HIV-Positive Inmates in the Custody of the Harris County Sheriff's Office

2. Approval of an Agreement between Harris County Hospital District d/b/a Harris Health System and Harris County Community Supervision and Correction Facilities to Administer Clinical Services

Mr. E. Dale Wortham requested clarification regarding who would ultimately be responsible for paying the pharmaceutical costs. Mr. Norby stated that a memorandum of understanding between Harris County and Harris County Hospital District d/b/a Harris Health will be issued and that Harris Health System will retain all of the annual funds received from the Texas Tobacco Settlement Fund.

Ms. Truesdell requested that the agreement clearly state that Harris Health System will retain the Tobacco Settlement distribution in the amount of \$1.5M as reimbursement for the pharmaceutical costs for which Harris Health System will pay through a third party contract with a local pharmacy or pharmacy group.

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

3. Presentation and Discussion Regarding Harris Health System Culture Change [Board Deliverable]. Agenda item VIII.D.3 was presented out of order.

Ms. Amanda Callaway, Associate Administrator, Mission Advancement, presented the Harris Health System culture change report. Ms. Callaway stated that Harris Health System is moving from an operational focused culture to a patient centered culture. Ms. Callaway stated that four areas of measurement were used to document change including the: Employee Satisfaction Survey Results, Physician Satisfaction Survey Results, Patient Satisfaction Survey Results, and the Secret Shopper Feedback program. Ms. Callaway stated there was increased employee participation in the employee satisfaction survey at a rate of 71% compared to 51% the prior year. Ms. Callaway also stated that physicians' participation in the physician survey increased. Ms. Callaway noted that for the patient satisfaction survey results, patients scored satisfaction with physicians (patient-doctor relationship) in the 64th percentile, which suggests that Harris Health system physicians already demonstrate a patient-centered culture. Ms. Callaway stated that changing the name from Harris County Hospital District to Harris Health System plus the Corporate Communication's media campaign, contributed to the employees' sense of pride and the community's positive reception. Ms. Callaway stated that the secret shoppers observed the interaction between medical staff and patients, and their survey score was a positive 92%. The secret shoppers' feedback further indicated they would recommend friends or relatives to Harris Health System. A copy of the report is available in the permanent record.

E. Legislative Committee

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

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

Mr. R. King Hillier, Vice President, Public Policy and Government Relations, presented the activities in Austin relating to legislative and regulatory issues impacting Harris Health System. Mr. Hillier stated that Harris Health System is working through the teaching hospitals of Texas regarding the 1115 Waiver renewal process as well as the Texas solution to the Medicaid expansion. Mr. Hillier stated he met with Mr. John Colyandro, Policy Advisor with Attorney General Greg Abbott's campaign, to discuss Mr. Abbott's plan regarding uninsured in Texas, should he become Governor. Mr. Hillier also stated that a Texas block grant may be used to receive Federal funds and apply toward the Medicaid program (funds available through the Affordable Care Act). Mr. Hillier noted that he will meet with the Sunset Advisory Commission on Friday, January 31, 2014, to discuss concerns with the Texas Department of Health and Human Services.

2. Update, Discussion and Possible Action Regarding Pending Federal Legislative and Policy Issues Affecting Harris Health System

Mr. R. King Hillier presented the pending Federal Legislative and Policy Issues affecting Harris Health System. Mr. Hillier stated an omnibus appropriations bill passed and that the Centers for Medicaid and Medicare Services (CMS) will distribute funds to healthcare agencies and systems, which will also alleviate some concerns regarding grant funding for Harris Health System. Mr. Hillier stated that the 340B medication program was not eliminated in the budget negotiation process and he also stated that Harris Health System is negotiating, with the assistance of Representative Kevin Brady's office, on the 340B medication issue of the 1115 Waiver.

IX. Miscellaneous

1. Discussion and Possible Action Regarding Harris Health System Live-Streaming

Mr. Tim Tindle, Executive Vice President and Chief Information Officer, introduced the Harris Health System live-streaming proposal. Mr. Tindle explained that live-streaming is a complex effort that will involve a production crew with multiple cameras. Mr. Tindle stated that the production company will also be responsible for editing the board meetings, linking to board agenda items and uploading the meetings to the internet or digital platform, designated television or cable network. Mr. Tindle stated that the cost for the first-year will be \$45,357, which includes the purchase of hardware and software at a cost of \$33,417, plus live-streaming up to twenty-five (25) public board meetings at an annual cost of \$11,940. Mr. Tindle stated that installation is planned for the end of March 2014.

Ms. Truesdell stated that live-streaming of the Board of Managers meetings is a commitment made to Commissioner Steve Radack and Commissioners Court to ensure that Harris Health System Board meetings are more accessible to the community.

X. Executive Session

At 12:00 p.m., Ms. Carolyn Truesdell stated that the Board would go into Executive Session under §161.032 of the Texas Health & Safety Code and Texas Occupations

Code Ann. §160.007, and the Texas Gov't Code Ann. §551.071. Ms. Truesdell stated that the regular meeting of the Board would reconvene at the close of Executive Session.

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

No action was taken.

- B. Report by the Chief Medical Officer Regarding Quality of Medical and Health Care, pursuant to Texas Health & Safety Code Ann. §161.032 and Texas Occupations Code Ann. §160.007 to Receive Peer Review and/or Medical Committee Report in connection with the Evaluation of the Quality of Medical and Health Care Services, and Possible Action Upon Return to Open Session

No action was taken.

- C. Consultation with the County Attorney Regarding settlement of subrogation claim for group health benefits paid by Harris Health and Possible Action Regarding this Matter Upon Return to Open Session

Motion 14.01-10

Moved by Ms. Daisy Stiner, seconded by Mr. Elvin Franklin, Jr., and unanimously passed, that the Board adopt the following resolution:

The Harris County Hospital District, by and through its Board of Managers, approves and hereby authorizes a settlement of the District's subrogation claim in the amount of \$9,708.38 in connection with Hospital District's claim against an insured driver for group health benefits received by a District employee. David S. Lopez, President/CEO, is authorized to execute any agreement, release or other necessary documents to effect this settlement.

- D. Consultation with the County Attorney Regarding Cause No. 2012-34696; *Betty Martinez v. Harris County Hospital District*; In the 80th Judicial District Court of Harris County, pursuant to Texas Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session

No action was taken.

- E. Consultation with the County Attorney Regarding Civil Action No. 4:12-CV-03172; *Peter Obasogie 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, and Possible Action Regarding this Matter Upon Return to Open Session

No action was taken.

- F. Consultation with the County Attorney Regarding Cause No. 2013-19408; *Western Reserve MedTec Services, LLC v. Harris County Hospital District*; In the 151th Judicial District Court of Harris County, pursuant to Texas Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session

No action was taken.

- G. Discussion Regarding the Performance Evaluation of the Harris Health System

President/CEO, pursuant to Texas Gov't Code Ann. §551.074 and Possible Action Regarding this Matter Upon Return to Open Session

Motion 14.01-11

Moved by Mr. TJ Tijerina, Jr., seconded by Mr. Elvin Franklin, Jr., and unanimously passed, that the Board approve the Harris Health System Chief Executive Officer performance pay metric to be used on an ongoing basis to evaluate performance pay for the Chief Executive Officer. A copy of this metric is available in the permanent record.

XI. Reconvene

At 1:25 p.m., Ms. Carolyn Truesdell reconvened the meeting and stated that no action was taken in Executive Session.

XII. Adjournment

Moved by Ms. Anne Clutterbuck by Ms. Daisy Stiner, and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at 1:27 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 January 30, 2013.

Ms. Carolyn Truesdell, Chair
Board of Managers

Ms. Daisy Stiner, Secretary
Board of Managers

Recorded by Henrietta Robinson