



HARRIS HEALTH SYSTEM

MINUTES OF THE BOARD OF MANAGERS MEETING

Thursday, October 30, 2014

Board Room – Administration Building

Members Present:

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

Members Absent:

Others Present:

Mr. George Masi, President & Chief Executive Officer
Mr. Michael Norby, Executive Vice President & Chief Financial Officer
Dr. Fred Sutton, Executive Vice President & Chief Medical Officer
Mr. Tim Tindle, Executive Vice President & Chief Information Officer
Dr. Yvonne Chu, General Director, Affiliated Medical Services
Dr. Tien Ko, Chairman, Medical Executive Board
Dr. Ericka Brown, Executive Vice President & Administrator, Ambulatory Care Services
Dr. Robert Trenchel, Executive Vice President & Administrator, Ben Taub General Hospital
Dr. Jessie L. Tucker, III, Executive Vice President & Administrator, Lyndon B. Johnson General Hospital
Dr. Carmel Dyer, Chief of Staff, Lyndon B. Johnson General Hospital
Dr. Mohammad Zare, Chief of Staff, Community Health Program
Ms. Mercedes Leal, Attorney, Harris County Attorney's Office
Mr. DeWight Doppslauf, Purchasing Agent, Harris County Purchasing
Ms. Peggy Boice, Harris County Judge Ed Emmett's Office
Ms. Carole Lamont, Commissioner Steve Radack's Office
Administrative Staff
Guests
(Sign-in Sheets attached to permanent record)

I. Call to Order and Record of Attendance

Mr. Elvin Franklin, Jr., Chair, called the meeting to order at 9:00 a.m., and noted that a quorum was present. The attendance was recorded.

Mr. Franklin requested a moment of silence to commemorate the employees who lost their

lives in the shooting incident that occurred at the Ben Taub Outpatient Pharmacy on Wednesday, October 22, 2014.

II. Approval of the Minutes of Previous Meeting

Motion 14.10-119

Moved by Dr. George Santos, seconded by Mr. TJ Tijerina, Jr., and unanimously passed that the Board approve the minutes of the September 11, 2014 Special Called FY2016 Operating and Capital Budget Workshop meeting and the September 25, 2014 Board of Managers meeting.

III. Announcements / Special Presentations

- A. Special Report from Dr. Paul E. Klotman, President and CEO, Baylor College of Medicine, and Dr. Giuseppe N. Colasurdo, President and CEO, University of Texas Medical School at Houston.

Dr. Paul E. Klotman, President and Chief Executive Officer, Baylor College of Medicine, emphasized that the medical schools desire greater involvement with management and that they want to become part of the strategic planning process for patient care. He stated that due to Harris Health's budgetary restraints, Harris County and Harris Health must prioritize the number of patients who will receive care within the Harris Health System. Dr. Klotman suggested that Harris Health consider how to better utilize its hospitals and clinics. He stated that Harris Health needs to consider the physical needs of its facilities and that those needs should be presented to Commissioners Court. Dr. Klotman further noted that since primary care visits are predicted to increase by 300,000, Harris Health must contend with the 20 – 25% of those patients who require specialty care. Dr. Giuseppe N. Colasurdo, President and Chief Executive Officer, University of Texas Medical School at Houston, stated that the medical schools desire more strategic involvement to work collectively with Harris Health to address the increased patient volume and for the overall benefit of the hospital system. Mr. George Masi, President and Chief Executive Officer, Harris Health System, agreed that the patient population is greater than Harris Health's capacity to sustain quality health care. He stated that the Board will discuss various strategies to address this problem at the October 31, 2014 Board retreat. Mr. Masi noted that there is a new sense of transparency and collaboration between Harris Health and the medical schools and that Harris Health anticipates strengthening this partnership in the future.

- B. Special Recognition – Dr. Ericka Brown, Executive Vice President and Administrator, Ambulatory Care Services, Recognized Mr. Peter Rodriguez, Director, Health Care for the Homeless Program.

Dr. Ericka Brown, Executive Vice President and Administrator, Ambulatory Care Services, stated that the Coalition for Homelessness presented an award to Harris Health's Health Care for the Homeless program for its service and partnership in the fight against homelessness. Dr. Brown presented the award to Mr. Nelson Gonzalez, Branch Project Manager, Mr. Peter Rodriguez, Director, and Dr. Yasmeen Quadri, Medical Director.

- C. Special Presentation – Mr. John E. Easton, Jr., Business Manager, International Brotherhood of Electrical Workers, Local Union #716, Presented a Donation to the Harris County Hospital District Foundation.

On behalf of Mr. Easton, who was unable to attend, Mr. E. Dale Wortham presented a \$3,000 donation from the International Brotherhood of Electrical Workers, Local Union #716, for a sponsorship at the February 7, 2015 Harris County Hospital District Foundation Texas Med Fun Run. Mr. Henry J.N. “Kitch” Taub II, Chairman, Harris County Hospital District Foundation Board of Trustees, and Ms. Ruth Ransom, Executive Director, Harris County Hospital District Foundation, accepted the donation. Ms. Ransom emphasized the importance of immunizations for the community and requested continued support for the Fun Run.

IV. Hear from Citizens

Mr. Walter Protheroe stated that he still has not received an appropriate response to his letter to the Harris County Attorney’s Office. He requested that the Harris Health Corporate Compliance Office return his medical records to him. He stated that he experienced retaliation from Baylor College of Medicine and from Harris Health System.

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

Purchasing item A(1)ss was **REVISED** to reflect the correct amount of \$160,760 and not the previously stated amount of \$154,760.

Agenda item V.B. was **PULLED**.

Motion 14.10-120

Moved by Ms. Daisy Stiner, seconded by Dr. George Santos, and passed that the Board approve agenda items V.A(1)a through V.A(2)t and V.C. through V.V. Mr. Lawrence Finder recused himself from the following purchasing items: A(1)b, A(1)d, A(1)e, A(1)n, A(1)v, A(1)w, A(1)x, A(1)y, A(1)aa, A(1)dd, A(1)ee, A(1)ff, A(1)gg, A(1)hh, A(1)ii, A(1)ll, A(1)oo, A(1)pp, A(1)rr, A(1)uu, A(1)vv and A(1)fff. Mr. Finder also abstained from voting on purchasing item A(1)t.

A. Items Related to Purchasing

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

- a. approve an exemption from the competitive bid requirements for Mary Schneider to serve as a liaison for intergovernmental affairs in the estimated amount of \$150,000 for the term November 3, 2014 through November 2, 2015 with two (2) one-year renewal options.
- b. ratify the first of four (4) renewal options for OptumInsight, Inc. to provide computer-assisted coding solutions in the estimated amount of \$590,629 for the term August 2, 2014 through August 1, 2015.
- c. approve an exemption from the competitive bid requirements for Cambridge Hospital to provide psychiatric services for pediatric patients in the estimated

amount of \$200,000 for a one-year initial term with three (3) one-year renewal options.

- d. approve an exemption from the competitive bid requirements for Baylor College of Medicine to provide psychiatric medical services for the Health Care for the Homeless Program in the estimated (HRSA Grant Funds) amount of \$151,616 for the term November 1, 2014 through October 31, 2015.
- e. approve an exemption from the competitive bid requirements for Baylor College of Medicine to provide primary health services for the Health Care for the Homeless Program in the estimated (HRSA Grant Funds) amount of \$256,270 for the term November 1, 2014 through October 31, 2015.
- f. approve an exemption from the competitive bid requirements for Craven & Plummer, Inc. to provide dental health services for the Health Care for the Homeless Program in the estimated (HRSA Grant Funds) amount of \$247,401 for the term November 1, 2014 through October 31, 2015.
- g. ratify the first of three (3) renewal options for The Salvation Army, a Georgia Corporation (Harbor Lights Center) (\$3,300) and The Salvation Army, a Georgia Corporation (Sally's House) (\$2,200) to provide temporary housing for homeless individuals in the estimated multi-vendor (HRSA Grant Funds) amount of \$5,500 for the term September 1, 2014 through August 31, 2015.
- h. ratify additional DSRIP funds and an extension for Moritz V. Craven, D.D.S., M.P.H., and Matthew W. Plummer, Jr., D.M.D., M.P.H., Inc. to provide dental services for adults 16 years of age and older in the estimated (DSRIP funds) amount of \$1,420,663 for the extended term October 1, 2014 through September 30, 2015 (Board previously approved DSRIP funds in the amount of \$466,659 for the term October 1, 2013 through September 30, 2014).
- i. ratify additional DSRIP funds and an extension for Moritz V. Craven, D.D.S., M.P.H., and Matthew W. Plummer, Jr., D.M.D., M.P.H., Inc. to provide dental services for pediatric patients in the estimated (DSRIP funds) amount of \$247,852 for the extended term October 1, 2014 through March 31, 2015 (Board previously approved DSRIP funds in the amount of \$506,671 for the term October 1, 2013 through September 30, 2014).
- j. ratify the first of four (4) renewal options for Beechnut Dialysis Center to provide outpatient end-stage renal disease (ESRD) care in the estimated amount of \$2,054,520 for the term October 9, 2014 through October 8, 2015.
- k. ratify the first of two (2) renewal options for Community Health Choice, Inc. (Community) to provide third-party administration of healthcare claims in the estimated amount of \$200,000 for the term October 1, 2014 through September 30, 2015.
- l. ratify funding for TH Healthcare, Ltd. d/b/a Park Plaza Hospital to provide wide-bore MRI and other radiology services in the estimated amount of \$300,000 for the term August 1, 2014 through July 31, 2015 with three (3) one-year renewal options.

- m. approve the third of four (4) renewal options for The University of Texas M.D. Anderson Cancer Center to provide radiation therapy and related services in the estimated amount of \$200,000 for the term November 1, 2014 through October 31, 2015.
- n. approve termination of the contract for Skanska USA Building, Inc. as the Construction Manager at-Risk for the Emergency Center Phase 2 Project at Ben Taub General Hospital in the amount of \$1,620,200, effective November 30, 2014.
- o. approve termination of the agreement with Philo Wilke Partnership, Inc. to provide professional architectural and engineering services for the Ben Taub General Hospital Emergency Center renovation in the amount of \$459,660, effective November 30, 2014.
- p. approve termination of the agreement with Philo Wilke Partnership, Inc. to provide professional architectural and engineering services for the Ben Taub General Hospital Emergency Center renovation in the amount of \$1,397,191, effective November 30, 2014.
- q. approve an award on the basis of best proposal meeting requirements for Wald Relocation Services, Ltd. to provide system-wide move consultant and mover services in the estimated amount of \$225,000 for FY2015 for a one-year initial term with four (4) one-year renewal options for a five-year total not to exceed \$800,000.
- r. approve utilization of Royal American Services, Inc. (primary vendor) and PRC Roofing Company, Inc. (secondary vendor) to provide job order contracting for small and large roofing projects in the estimated multi-vendor amount of \$2,500,000 for the term October 30, 2014 through March 31, 2015.
- s. approve the first of four (4) renewal options for Landscape Consultants of Texas, Inc. to provide grounds maintenance at various locations in the estimated amount of \$190,491 for the term November 1, 2014 through October 31, 2015.
- t. approve awards on the basis of best bids for Ascend National LLC d/b/a Rad-Link Supplemental Staffing, Favorite Healthcare Staffing, Inc., Integrated Healthcare Solutions, LLC, Maxim Healthcare Services, Inc., RCM Health Care Services, SHC Services, Inc. d/b/a Supplemental Health Care, Source One Healthcare Professionals, Inc. d/b/a TexMed Staffing, in affiliation with People 2.0 Global, Inc., and Star Nursing, Inc. to provide non-professional healthcare temporary personnel in the estimated multi-vendor amount of \$1,500,000 (Harris Health only) for the term October 31, 2014 through October 30, 2015 with four (4) one-year renewal options.
- u. ratify the fourth and final renewal option for A-1 Personnel of Houston, Inc., Elite Personnel Consultants, Inc. d/b/a Evins Temporaries, ExecuTeam Staffing, and Resource Staffing Houston, Inc. to provide temporary personnel in the estimated multi-vendor amount of \$265,145 (Harris Health System only) for the term October 12, 2014 through October 11, 2015.
- v. ratify purchase on the basis of best contract for J.T. Posey Company [PP-NS-841] through Cardinal Health to provide patient restraints and fall prevention products

in the estimated amount of \$145,871 for the term August 1, 2014 through July 31, 2015.

- w. approve third-year funding for the GPO contract for Covidien Sales LLC [PP-OR-882] through Cardinal Health to provide OR accessory products in the estimated amount of \$110,596 for the term November 1, 2014 through October 31, 2015.
- x. approve second-year funding for the GPO contract for Welch Allyn, Inc. [PP-AC-085] to provide disposable vaginal speculums in the estimated amount of \$136,312 for the term November 1, 2014 through October 31, 2015.
- y. approve the first of four (4) renewal options for Masimo Americas, Inc. [PP-NS-701] to provide pulse oximetry devices in the estimated amount of \$1,094,052 for the term January 21, 2015 through January 20, 2016.
- z. approve provision for the City of Houston to utilize Harris Health System's contracts to purchase hospital supplies and related items for a one-year initial term with ten (10) automatic one-year renewals unless terminated by either party.
- aa. ratify purchase on the basis of best contracts for Boston Scientific Corporation [PP-CA-237] (\$14,896 – Items 6-9) and Covidien Sales LLC [PP-CA-238] (\$113,050 – Items 1-5, 10-59) to provide peripheral and biliary stents in the estimated multi-vendor amount of \$127,946 for the term September 25, 2014 through January 31, 2015.
- bb. approve award on the basis of only proposal received for Cook Medical, Inc. to provide peripheral and biliary stents in the estimated amount of \$133,400 for a one-year initial term with two (2) one-year renewal options.
- cc. approve award on the basis of only proposal received for Cook Medical, Inc. to provide diagnostic and interventional radiology products in the estimated amount of \$412,314 for a one-year initial term with two (2) one-year renewal options.
- dd. rescind the award from Smiths Medical, ASD, Inc. [PP-LA-314] in the amount of \$431,986 (Items 2-9, 11, 12) and ratify an award for Becton, Dickinson and Company [PP-LA-309] in the estimated amount of \$432,320 (Items 2-9, 11, 12) for the term February 1, 2014 through January 31, 2015.
- ee. approve third-year funding for the GPO contract for Medline Industries, Inc. [PP-AC-062] through Cardinal Health to provide mobility aids in the estimated amount of \$161,722 for the term November 1, 2014 through October 31, 2015.
- ff. ratify purchase on the basis of best contract for Medegen Medical Products, LLC [PP-NS-838] through Cardinal Health to provide patient bedside products in the estimated amount of \$197,895 for the term July 1, 2014 through June 30, 2015.
- gg. approve third-year funding for the GPO contracts for DeRoyal Industries, Inc. [PP-NS-747] (\$3,029) and DJO, LLC [PP-NS-746] (\$249,856) all through Cardinal Health to provide orthopedic soft goods in the estimated multi-vendor amount of \$252,885 for the term December 1, 2014 through November 30, 2015.
- hh. approve the first of four (4) renewal options for Terumo Medical Corporation (TMC) to provide neuroendovascular diagnostic and interventional radiology

products in the estimated amount of \$200,000 for the term November 1, 2014 through October 31, 2015.

- ii. approve the first of four (4) renewal options for Sysmex America, Inc. [PP-LA-345] to provide hematology analyzers, reagents, consumables, supplies and services in the estimated amount of \$530,755 for the term November 19, 2014 through November 18, 2015.
- jj. approve additional (budgeted) funds for Laboratory Corporation of America to provide reference laboratory testing services in the additional budgeted amount of \$1,273,978 for the term January 22, 2014 through January 21, 2015 (Board previously approved funds in the amount of \$1,791,355 for the term January 22, 2014 through January 21, 2015).
- kk. approve the first of four (4) renewal options for Laboratory Corporation of America to provide reference laboratory testing services in the estimated amount of \$3,095,986 for the term January 22, 2014 through January 21, 2016.
- ll. approve purchase for Oracle America, Inc. [DIR-TSO-2539] to provide PeopleSoft license expansion and support in the amount of \$111,005.
- mm. approve additional (budgeted) funds for Epic Systems Corporation to provide Epic clinical training in the additional budgeted amount of \$80,000 for the term April 1, 2014 through March 31, 2015 (Board previously approved funds in the amount of \$95,000 for the term April 1, 2014 through March 31, 2015).
- nn. approve purchase on the basis of sole source for FujiFilm Medical Systems USA, Inc. to provide additional Synapse Picture Archiving and Communication System (PACS) software licenses in the estimated amount of \$269,500.
- oo. approve the first of four (4) renewal options on the basis of sole source for FujiFilm Medical Systems USA, Inc. to provide maintenance for cardiovascular system software in the estimated amount of \$114,222 for the term November 1, 2014 through October 31, 2015.
- pp. approve renewal on the basis of sole source for FujiFilm Medical Systems USA, Inc. to provide license and maintenance services for Synapse Picture Archiving and Communication System (PACS) in the estimated amount of \$544,704 for the term November 1, 2014 through October 31, 2015.
- qq. approve additional (budgeted) funds for Epic Systems Corporation to provide additional cache licenses in the additional budgeted amount of \$71,175 for the term April 1, 2014 through March 31, 2015 (Board previously approved funds in the amount of \$94,088 for the term April 1, 2014 through March 31, 2015).
- rr. approve purchase on the basis of sole source for Nuance Communications, Inc. to provide the PowerScribe Voice Recognition System license upgrade in the estimated amount of \$200,000 for the term of one (1) year upon execution of the agreement.
- ss. approve purchase on the basis of sole source for Sunquest Information Systems, Inc. to provide Sunquest CoPath™ upgrades in the estimated amount of \$160,760 for one (1) year upon execution of the agreement.

- tt. approve provision for the City of Houston to provide professional development training and other training resources in the estimated amount of \$45,000 for one (1) year upon execution of the agreement with annual renewals.
- uu. ratify additional (budgeted) funds and an extension for Iron Mountain Records Management to provide off-site storage and maintenance of medical records, x-ray film and retrieval services in the additional budgeted amount of \$220,916 for the extended term September 1, 2014 through October 31, 2014 (Board previously approved funds in the amount of \$3,241,884 for the term May 1, 2012 through August 31, 2014).
- vv. approve award on the basis of lowest priced proposal for Philips Healthcare, a division of Philips Electronics North America Corporation, to provide one general purpose ultrasound system in the amount of \$198,393 for a one-year initial term with four (4) one-year renewal options.
- ww. approve the fourth year funding for Triad Isotopes [PP-IM-175] to provide radiopharmaceutical products and distribution in the estimated amount of \$1,000,000 for the term January 1, 2015 through December 31, 2015.
- xx. approve award on the basis of only proposal received for Life Insurance Company of North America (LINA) (“Cigna”) to provide short term disability coverage in the estimated amount of \$1,195,402 for the term March 1, 2015 through February 29, 2016 with two (2) one-year renewal options.
- yy. approve the third of four (4) renewal options for Letter Logic, Inc. to provide patient billing services in the estimated amount of \$630,000 for the term January 1, 2015 through December 31, 2015.
- zz. ratify the first of four (4) renewal options for University HealthSystem Consortium (UHC) to provide a benchmarking project in the estimated amount of \$536,800 for the term January 1, 2014 through December 31, 2014.
- aaa. approve provision for Houston Community College to provide a medical assistant credentialing exam review course in the amount of \$9,319 for the term November 15, 2014 through November 14, 2015.
- bbb. ratify renewal for the City of Houston through the Houston Parks and Recreation Department to provide the use of public indoor swimming pools for patient aquatic therapy in the estimated amount of \$2,000 for the term October 25, 2014 through October 24, 2015.
- ccc. ratify the first of four (4) renewal options for Intelligent Retinal Imaging Systems, LLC (IRIS) in the estimated amount of \$520,440 for the term May 22, 2014 through May 23, 2015.
- ddd. approve an extension for Morris & Dickson Co., LLC to provide continued prime distribution of pharmaceutical supplies for the term October 5, 2014 through October 4, 2015.
- eee. approve the third of four (4) renewal options for Lepow Podiatric Medical Associates, LLP to provide podiatry services in the estimated amount of \$633,794 for the term November 1, 2014 through October 31, 2015.

- fff. approve additional (budgeted) funds for 3M Health Information Systems, Inc. to provide 3M software licenses and maintenance in the additional budgeted amount of \$855,749 for the extended term October 28, 2014 through October 27, 2017 (Board previously approved funds in the amount of \$397,561 for the term October 28, 2014 through October 27, 2015).

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

- a. transmittal of third of four (4) renewal options for Lone Star Uniforms, Inc. to provide dress uniforms for the Department of Public Safety in the estimated amount of \$50,000 for the term December 1, 2014 through November 30, 2015.
- b. transmittal of the third of four (4) renewal options for Lone Star Uniforms, Inc. to provide uniforms for Logistics, Security and EMS in the estimated amount of \$50,000 for the term January 1, 2015 through December 31, 2015.
- c. transmittal of award on the basis of lowest overall offer for Brothers Produce, Inc. to provide produce in the estimated amount of \$540,167 for the term September 15, 2014 through December 31, 2014.
- d. transmittal of purchase on the basis of single source contract for Arrow International, Inc. [PP-NS-829] through Cardinal Health to provide central venous access products in the estimated amount of \$54,197 for the term July 1, 2014 through June 30, 2015.
- e. transmittal of award on the basis of sole source for Covidien/ev3 Neurovascular to provide onyx liquid embolic in the estimated amount of \$86,255.
- f. transmittal of purchase on the basis of best contracts for DeRoyal Industries [PP-WC-134] – Option 2 (\$5,668 – Items 11, 12) and Covidien Sales LLC [PP-WC-133] – Option 1 (\$70,825 – Items 4-10) to provide disposable labor and delivery products in the estimated multi-vendor amount of \$76,493 for the term September 1, 2014 through August 31, 2015.
- g. transmittal of purchase on the basis of best contracts for Covidien Sales LLC [PP-WC-140](\$6,670 – Items 3,4) and Clinical Innovations, Inc. [PP-WC-139](\$54,695 – Items 1,2) all through Cardinal Health to provide obstetrical monitoring devices in the estimated multi-vendor amount of \$61,365 for the term September 1, 2014 through August 31, 2015.
- h. transmittal of purchase on the basis of lowest priced contract for Cook Medical, Inc. [PP-CA-242] through Cardinal Health to provide vena cava filters in the estimated amount of \$94,245 for the term August 1, 2014 through July 31, 2015.
- i. transmittal of award on the basis of overall lowest priced proposal for American Medical Systems, Inc. to provide surgical incontinence products in the estimated amount of \$72,400.
- j. transmittal of rescission of award for CareFusion 2200, Inc. [PP-NS-754] to provide bedside procedure trays and needles in the amount of \$16,887 for the term January 1, 2014 through December 31, 2014.

- k. transmittal of the third of four (4) renewal options for Sebia, Inc. to provide automated electrophoresis analyzer, reagents, consumables and service in the estimated amount of \$73,856 for the term November 4, 2014 through November 3, 2015.
- l. transmittal of additional (budgeted) funds and an extension for Tri-Path Imaging, Inc. through BD Diagnostics, Women's Health and Cancer to provide a cytology thin-layer slide preparation system including reagents and supplies in the additional budgeted amount of \$81,140 for the extended term November 1, 2014 through January 31, 2015 (Board previously approved funds in the amount of \$396,000 for the term November 1, 2013 through October 31, 2014).
- m. transmittal of the first of four (4) renewal options for Lexi-Comp, Inc. to provide a drug database software system in the amount of \$76,303 for the term December 26, 2014 through December 25, 2015.
- n. transmittal of purchase on the basis of sole source for Citrix Systems, Inc. to provide Citrix Enterprise support in the amount of \$81,000 for the term October 21, 2014 through October 20, 2015.
- o. transmittal of renewal for Oracle USA, Inc. [DIR-VPC-03-018] to provide Oracle Database maintenance and support in the estimated amount of \$53,093 for the term June 1, 2014 through May 31, 2015.
- p. transmittal of the fourth and final renewal option for EndoSoft, LLC to provide endoscopic software support in the estimated amount of \$50,000 for the term November 5, 2014 through November 4, 2015.
- q. transmittal of exemption from the competitive bid requirements for Mark III Systems, Inc. to provide IBM storage configuration services in the amount of \$90,000.
- r. transmittal of the first of four (4) renewal options on the basis of sole source for Sun Nuclear Corporation to provide software and hardware maintenance for the Sun Nuclear Dosimetry System in the amount of \$52,265 for the term September 1, 2014 through August 31, 2015.
- s. transmittal of annual membership dues in the estimated amount of \$89,000 for University HealthSystem Consortium (UHC) for the term January 1, 2014 through December 31, 2014.
- t. transmittal of awards on the basis of best bids for The Roman Healthcare Group, LLC and Cejka Search to provide recruitment services in the estimated multi-vendor amount of \$53,500 for the term October 30, 2014 through October 29, 2014 with four (4) one-year renewal options.

B. PULLED

Consideration of Approval of a Research Data Use Agreement Between Chicago University, Baylor College of Medicine, and the Harris Health System.

C. Approval to Accept the Harris County Auditor's Harris Health System Research Controls Report.

- D. Approval of the Harris Health System Investment Policy.
- E. Approval to Enter Into the 5th Term of the Lease Agreement with Pasadena Realty Partners, LLC for Lease Space Located at 3925 Fairmont Parkway, Pasadena, Texas 77504 for a Pediatric and Adolescent Health Center.
- F. Approval to Enter into the 10th and Final Term of the Lease Agreement with the City of Houston for the Leasing of Approximately 6,361 Square Feet of Space Located at Riverside Health Center, 3315 Delano Street, Houston, Texas 77004 for an Outpatient Dialysis Center.
- G. Approval of Funds for the Second Year of the Lease Agreement with Bellaire Medical Plaza SPE, LLC for the Leasing of Approximately 6,598 Square Feet Located at 5420 Dashwood, Houston, Texas 77081 for an Ambulatory Care Clinic.
- H. Approval of Funds for the Third Year of the Lease Agreement with Mount Houston CCG Partners, LP for the Leasing of Approximately 8,000 Square Feet of Space Located at 11703 US Hwy 59 at E. Mount Houston Road, Houston, Texas 77039 for the East Mount Houston Eligibility Center.
- I. Approval of an Affiliation Agreement between Harris County Hospital District d/b/a Harris Health System and Houston Community College District (Associate Degree in Nursing Program).
- J. Approval of an Affiliation Agreement Between Harris County Hospital District d/b/a Harris Health System and Houston Community College District (Associate Degree in Occupational Therapy Assistant Program).
- K. Approval of an Affiliation Agreement between Harris County Hospital District d/b/a Harris Health System, Frontier Nursing University and Baylor College of Medicine (Master of Science in Nursing Certified Midwife Program).
- L. Approval of an Affiliation Agreement between Harris County Hospital District d/b/a Harris Health System and Prairie View A&M University (Master of Science in Nursing Program).
- M. Approval to Ratify an Agreement Between Harris County Hospital District d/b/a Harris Health System and Craven & Plummer, Inc. to Provide DSRIP Dental Services to Patients Aged Sixteen (16) Years and Older.
- N. Approval to Ratify an Agreement Between Harris County Hospital District d/b/a Harris Health System and Craven & Plummer, Inc. to Provide DSRIP Dental Services to Pediatric Patients Ages Six (6) Months to Twenty-One (21) Years.
- O. Approval of an Interlocal Agreement Between Harris County Hospital District d/b/a Harris Health System, the City of Houston, The University of Texas Health

Science Center at Houston, and The University of Houston for Development of a Continuing Education Database for Community Health Workers.

- P. Approval of an Agreement Between Harris County Hospital District d/b/a Harris Health System and The University of Texas Health Science Center at Houston and OneStar Foundation for the Development of Online Interactive Map and Database of Regional Services.
- Q. Approval to Accept the Radhar Family Grant of \$11,607 from the Harris County Hospital District Foundation Awarded to Harris County Hospital District d/b/a Harris Health System for the Lyndon B. Johnson Cancer Resource Center.
- R. Approval to Accept a Grant of \$4,600 from the Harris County Hospital District Foundation Awarded to Harris County Hospital District d/b/a Harris Health System for the Purpose of Purchasing Clinic Vaccines.
- S. Approval of a Grant Agreement Between Harris County Hospital District d/b/a Harris Health System and the Harris County Hospital District Foundation for Smith Clinic Capital Campaign Non-Lester and Sue Smith Foundation Funds.
- T. Approval of an Interlocal Agreement Between Harris County Hospital District d/b/a Harris Health System and Fort Bend County Sheriff's Office to Provide Forensic Nursing Services to Inmates.
- U. Approval to Accept the Award of \$904,679 from Baylor College of Medicine to Harris County Hospital District d/b/a/ Harris Health System as a Sub-Award Under Grant #PP140028, Cancer Prevention Research Institute of Texas "CPRIT": "Empowering the Medically Underserved Through a Community Network for Cancer Prevention for FY 2014-2017".
- V. Approval to Amend the Agreement Between Harris County Hospital District d/b/a Harris Health System and Pfizer, Inc. to Participate in the Pfizer RxPathways Program.

{End of Consent Agenda}

VI. Reports of the Committees

A. Joint Conference Committee

Motion 14.10-121

Moved by Ms. Daisy Stiner, seconded by Ms. Carolyn Truesdell, and unanimously passed that the Board approve agenda item VI.A.1.

1. Approval of the Medical Executive Board Report for October 2014.

Dr. Tien Ko, Chairman, Medical Executive Board, presented the Medical Executive Board Report for October 2014. He stated that Dr. Kelley Carroll, Medical Director, E.A. "Squatty" Lyons Health Center, was appointed as the vice chief of staff for the

Community Health Program. Dr. Ko explained that the Medical Executive Board Bylaws Committee proposed changes to the medical staff bylaws and that these changes were approved by the Medical Executive Board. He announced that if these changes are approved by the active medical staff, then they will be presented to the Board of Managers in December. A copy of the report is available in the permanent record.

Motion 14.10-122

Moved by Dr. George Santos, seconded by Ms. Daisy Stiner, and unanimously passed that the Board approve agenda item VI.A.2.

2. Approval Regarding the Credentialing Changes for Members of the Harris Health System Medical Staff (October 2014).

Dr. Ko presented the credentialing changes for members of the Harris Health System medical staff. He stated that no pending items exist at this time. A copy of the report is available in the permanent record.

B. Performance Improvement & Patient Safety Committee

1. Review and Discussion Regarding Harris Health System Quality Executive Summary and Scorecard.

Dr. Fred Sutton, Executive Vice President and Chief Medical Officer, presented the Harris Health System Quality Executive Summary and Scorecard. He stated the American College of Surgeons National Surgical Quality Improvement Program (ACS NSQIP[®]) was implemented to monitor surgical procedures to ensure that infection control standards are being met. Dr. Sutton announced that the Press Ganey 2013 Medical Staff Satisfaction Survey was completed and that the level of medical staff participation increased this year. He noted that 37% of the residents and 52% of the faculty participated in the survey. Dr. Sutton stated that the survey results will be available by November 22, 2014. He further stated that Press Ganey will present the survey results to the Board at the January 2015 Board of Managers meeting. A copy of the report is available in the permanent record.

C. Budget & Finance Committee

Motion 14.10-123

Moved by Mr. E. Dale Wortham, seconded by Ms. Carolyn Truesdell, and unanimously passed that the Board approve agenda items VI.C.1. through VI.C.3.

1. Acceptance of the Harris Health System September 2014 Financial Report Subject to Audit.

Mr. Michael Norby, Executive Vice President and Chief Financial Officer, presented the Harris Health System September 2014 Financial Report. He reported that payor mix was very favorable for the month, which resulted in a net patient service revenue of 21% greater than budget. Mr. Norby stated that the operating loss was \$400K worse than budget but continues to be better than the budget target by \$5.6M on a year-to-date basis. He reminded the Board that a greater amount of the

Demonstration Year 3 (DY3) Delivery System Reform Incentive Payment (DSRIP) funds appeared on the midyear report and that fewer DSRIP funds will be included on the year's final report as the DSRIP positive variance balances itself out. Ms. Truesdell inquired whether the postponement of some of Harris Health's DSRIP projects into Fiscal Year 2016 (FY16) will have an adverse effect on the budget. Mr. Norby answered that the postponement of DSRIP projects will have minimal impact due to carryover of 20% of the DY3 funds into the following year. He stated that he will learn more about the potential impact on Harris Health's budget when he receives a status report in two weeks of the private hospital projects that Harris Health is funding. A copy of the report is available in the permanent record.

2. Acceptance of the Harris Health System September 2014 Pension Plan Report Subject to Audit.

Mr. Norby presented the Harris Health System September 2014 Pension Report. He stated that the market value of the pension plan was \$581.6M. and that the pension plan was 77.7% funded as of September 30, 2014. A copy of the report is available in the permanent record.

3. Acceptance of the Harris Health System September 2014 Investment Report.

Mr. Norby presented the Harris Health System September 2014 Investment Report. A copy of the report is available in the permanent record.

Motion 14.10-124

Moved by Ms. Daisy Stiner, seconded by Mr. Lawrence Finder, and unanimously passed that the Board approve agenda item VI.C.4.

4. Approval of the Third Amendment to the Reimbursement Agreement with JPMorgan Chase Bank, in Connection with its Letter of Credit for the \$104,435,000 for Harris County Hospital District Senior Lien Refunding Revenue Bonds, Series 2010.

Mr. Norby presented the Third Amendment to the Reimbursement Agreement with JPMorgan Chase Bank. He outlined the Amendment, which waived Harris Health's failure to comply with the days cash on hand ratio as of August 31, 2014, and which will reduce Harris Health's requirement of 75 days cash on hand to 60 days after February 28, 2015. A copy of the amendment is available in the permanent record.

5. Presentation of the September 2014 Financial Statements of Community Health Choice, Inc.

Mr. Kenneth Janda, President and Chief Executive Officer, Community Health Choice, Inc. (CHC, Inc.), stated that CHC, Inc.'s total assets are over \$200M, its investments total \$133.9M, and its total equity is over \$100M. He reported that the CHC, Inc. risk programs currently consist of 262,000 members. Mr. Janda attributed the growth in risk programs to modifications at the state level in electronic verification for Medicaid patients and to the extension of the recertification requirement to every twelve (12) months instead of every six (6) months. He stated

that he expects earnings to total between \$12M and \$20M for the year. Mr. Janda announced that the open enrollment period for the Affordable Care Act Insurance Marketplace will begin November 15, 2014. He stated that CHC, Inc.'s insurance rates are well-positioned and that he expects to enroll a greater number of people this year. A copy of the report is available in the permanent record.

D. Planning and Operations Committee

Motion 14.10-125

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

1. Approval of the Harris Health System FY2016 Healthcare Premium Rate Schedules for Employees, Retirees and COBRA Participants Effective March 1, 2015.

Ms. Diane Poirot, Vice President of Human Resources, presented the Harris Health System FY2016 Premium Rate Schedules. She stated that the FY2016 premium rate schedules include the contribution rates for the health, dental and vision plans. Ms. Poirot announced that an additional 80/20 health plan will be offered in 2015 that allows people to buy into the 90/10 plan if they choose to do so. She explained that because Harris Health experienced savings with the KelseyCare Plan, Harris Health decided to pass those savings to its employees by offering decreased premiums under the KelseyCare Plan. Ms. Poirot stated that the 80/20 plan will also have a 10% lower premium cost. She stated that Harris Health's contribution will be based on a percentage of the two lower-cost plans and that dollar amount will be applied to the higher-cost plan. A copy of the report is available in the permanent record.

2. Review and Discussion Regarding On-Time Performance Appraisal Completion **[Board Deliverable]**.

Ms. Poirot led the discussion regarding on-time performance appraisal completion. She reported that on-time performance appraisal completion rates were at their lowest percentage in March 2014 because this was prior to the implementation of a common merit raise date and there was no money attached to the performance appraisals at that time. Ms. Poirot explained that the completion rate increased to 89% in August 2014 due to the effort to get all the performance appraisals completed prior to implementation of the common merit raise date in September 2014. She stated that by August 31, 2014, the completion rate was 100% and that no employee missed a merit increase. Ms. Poirot stated that the only exceptions were those employees who were on leave and that their appraisals were completed upon their return to work. A copy of the report is available in the permanent record.

3. Review and Discussion Regarding the Annual Report from the Harris County Hospital District Foundation.

Ms. Ransom and Mr. Taub presented the Harris County Hospital District Foundation Annual Report. Ms. Ransom stated that the annual report is used to tell

Harris Health's story and to demonstrate the Harris County Hospital District Foundation's partnership and commitment to Harris Health through giving. A copy of the report is available in the permanent record.

E. Ad Hoc Committee – 1115 Waiver

Motion 14.10-126

Moved by Mr. E. Dale Wortham, seconded by Mr. Lawrence Finder, and unanimously passed that the Board approve agenda items VI.E.1. and VI.E.2.

1. Approval of a Data Use Agreement Between Harris County Hospital District d/b/a Harris Health System and the Texas Health and Human Services Commission.

Mr. Norby presented the data use agreement between Harris Health System and the Texas Health and Human Services Commission. He reported that the data use agreement will facilitate Harris Health's access to Protected Health Information (PHI) and other confidential information as the designated Anchor of Regional Health Partnership 3 (RHP3). A copy of the agreement is available in the permanent record.

2. Consideration of Approval of an Agreement Between Harris County Hospital District d/b/a Harris Health System and the Texas Health and Human Services Commission for Texas Transformation and Quality Improvement 1115 Waiver Program for Administrative Services.

Mr. Norby presented the agreement between Harris Health System and the Texas Health and Human Services Commission for Texas Transformation and Quality Improvement 1115 Waiver Program for Administrative Services. He stated that this agreement will allow Harris Health to recover 50% of the administrative costs that will be incurred in Harris Health's performance of its duties as the Anchor for RHP3. A copy of the agreement is available in the permanent record.

F. Audit Committee

Motion 14.10-127

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

1. Consideration of Acceptance of the Harris County Auditor's Harris Health System Grant Controls Report.

Mr. Bobby Cato, Director of Audit Services, Harris County Auditor's Office, and Mr. Charles McDonald, Manager of Audit Services, Harris Health System, Harris County Auditor's Office, presented the Harris County Auditor's Harris Health System Grant Controls Report. Mr. McDonald reported that the Audit Services

Department performed the following procedures for the six-month period ending August 31, 2013: 1) reviewed the policies for grants and research, 2) reviewed reports on independent oversight and testing procedures for state and federal grants, 3) evaluated the controls for approving grants and research projects, 4) evaluated the level of compliance with grant provisions, and 5) reviewed the reporting requirements for grants and research. He stated that the disbursement controls for grant payments and the controls for ensuring compliance with grant provisions were adequate. Mr. McDonald recommended that Harris Health develop a grant accounting system to facilitate the monitoring of grant activity. He also noted that a standard agreement for private grants should be implemented to ensure that private grants comply with Harris Health Policy 3.03. Mr. McDonald further recommended that procedures be established to ensure that subcontractor salaries were being paid in compliance with salary reimbursement constraints. A copy of the report is available in the permanent record.

G. Legislative Committee

Motion 14.10-128

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

1. Update, Discussion and Possible Action Regarding Activities in Austin Relating to Legislative/Regulatory Issues Impacting Harris Health System, the 84th Legislative Session, and the Harris Health System Legislative Platform.

Mr. R. King Hillier, Vice President, Public Policy and Government Relations, and Mary Schneider, Harris Health Liaison for Intergovernmental Affairs, led the discussion regarding activities in Austin relating to legislative and regulatory issues impacting Harris Health System, the 84th Legislative Session, and the Harris Health legislative platform. Mr. Hillier presented the Harris Health System public policy platform for the 84th Legislative Session. He outlined the following issues that were included in the platform: 1) Medicaid, the Children's Health Insurance Program (CHIP) and the uninsured, 2) substance abuse and mental health services, 3) graduate medical education, 4) professional healthcare workforce shortages, 5) emergency care and trauma services, 6) immunizations and public health initiatives, 7) HIV treatment programs, and 8) Harris Health employee 401K participation. A copy of the report is available in the permanent record.

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

Mr. Hillier led the discussion regarding pending federal legislative and policy issues affecting Harris Health System. He anticipated that if the Republicans gain control of Congress in the upcoming Midterm election to be held November 4, 2014, they will approve a continuing resolution to fund the government through the commencement of the legislative session in January 2015. Mr. Hillier stated that he plans to visit Capitol Hill in February or March 2015. Mr. Finder suggested that Mr. Hillier reach out to U.S. Congressional candidates such as Dr. Brian Babin in the

36th Congressional District of Texas to establish open lines of communication between Harris Health and these potential new legislators as soon as possible.

3. Review and Discussion Regarding the Texas Legislature and Congressional Delegation Survey [**Board Deliverable**].

This agenda item was not addressed during the meeting.

H. Corporate Compliance Committee

1. Compliance Education – Part IV: Compliance Responsibilities of the Hospital Governing Body [**Board Education**].

Ms.Carolynn Jones, Administrative Director of Regulatory Compliance, delivered the presentation regarding the compliance responsibilities of the Board of Managers. She stated that the Board maintains a fiduciary duty of care to oversee the Harris Health compliance program. Ms. Jones explained that the duty of care was established by *In re Caremark*, a landmark 1996 court case which held that a board must ensure that a corporate information and reporting system exists and that the reporting system adequately delivers appropriate information to the board in a timely manner. Mr. Finder highlighted that *In re Caremark* also established that individual board members may be held criminally liable if an organization's compliance program is found to be insufficient. Ms. Jones noted that courts apply the Business Judgment Rule to determine whether a director met his or her duty of care by acting in good faith, without any conflict of interest, and in the best interests of the organization. She stated that absent a warning or a red flag, a director is not required to exercise proactive vigilance or to ferret out corporate wrongdoing. Ms. Jones recommended that the Board consider the following issues in satisfying its duty of care: 1) the structure of the Harris Health compliance program and the compliance reporting hotline, and 2) whether the compliance program sufficiently assesses the risks of the organization. A copy of the presentation is available in the permanent record.

SUPPLEMENTAL AGENDA ITEM:

Mr. Elvin Franklin, Jr. announced that the Board of Managers would consider the following supplemental agenda item prior to the adjournment of the regular meeting of the Board of Managers:

1. Approval of Ben Taub General Hospital's Transition to Thermal Energy Corporation (TECO) Steam and Chilled Water Utilities Project in the Amount of \$8.9M, Subject to Available Funds.

Motion 14.10-129

Moved by Mr. Lawrence Finder, seconded by Mr. TJ Tijerina, Jr., and unanimously passed that the Board approve Ben Taub General Hospital's Transition to Thermal Energy Corporation (TECO) Steam and Chilled Water Utilities Project in the Amount of \$8,981,200, Subject to Available Funds.

Ms. Truesdell requested clarification regarding previous Board discussion and approval of the specified dollar amount for the TECO project. Mr. Mark Sams, Vice President, Facilities Management, stated that \$2,190,000 was initially presented to the Board as the first of what will ultimately be four (4) requests for funds to complete the TECO project. He stated that the Board subsequently requested to approve the entire amount of \$8,981,200, which will be the amount required for completion of the project over a multiyear timeframe. Mr. Franklin explained that the Board originally considered approval of \$2,190,000, which was the initial requested installment. He stated that he recommended that the Board approve the entire amount of \$8,981,200, but subject to the condition that the funds will be paid in installments upon availability of the cash. Mr. Franklin stated that Mr. Sams would return to the Board on specific dates to request approval of the subsequent installment payments that will be required periodically throughout the remainder of the project. Copies of previously submitted documentation are available in the permanent record.

VII. Executive Session

At 11:00 a.m. Mr. Franklin 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, the Texas Gov't Code Ann. §551.071, and the Texas Gov't Code Ann. §551.074.

At 12:32 p.m., Mr. Franklin reconvened the meeting temporarily and stated that no action was taken in Executive Session.

The following agenda item was taken out of order:

- H. Discussion Regarding the Employment Agreement between the Harris County Hospital District d/b/a Harris Health System and George V. Masi, President and Chief Executive Officer, Pursuant to Texas Gov't Code Ann. §551.074, and Possible Action Regarding this Matter Upon Return to Open Session.

Motion 14.10-130

Moved by Ms. Carolyn Truesdell, seconded by Ms. Anne Clutterbuck, and unanimously passed that the Board approve agenda item VII.H.

At 12:33 p.m. Mr. Franklin stated that the Board would return to Executive Session under §161.032 of the Texas Health & Safety Code and Texas Occupations Code Ann. §160.007, the Texas Gov't Code Ann. §551.071, and the Texas Gov't Code Ann. §551.074.

VIII. Reconvene

At 1:14 p.m., Mr. Franklin 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 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 Outside Legal Counsel Regarding Notice of Deferral of Federal Funds Relating to Federal Uncompensated Care Payments, Pursuant to Texas Gov't Code Ann. §551.071, and Possible Action Upon Return to Open Session.

No action was taken.

- D. Consultation with the County Attorney Regarding Harris County Hospital District d/b/a Harris Health System's Intergovernmental Transfer for Disproportionate Share and Uncompensated Care, 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 Cause No. 2013-15148; *Robert Johnson v. Harris County Hospital District*; In the 11th Judicial District Court of Harris County, Texas, 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 Employee Health Benefits, 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. Consultation with the County Attorney Regarding Medical Peer Review and Medical Committee Privileges, Pursuant to Texas Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session.

No action was taken.

IX. Adjournment

Moved by Dr. George Santos, seconded by Ms. Daisy Stiner, and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at 1:15 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 28, 2014.

Respectfully submitted,

Mr. Elvin Franklin, Jr., Chair
Board of Managers

Dr. George Santos, Secretary
Board of Managers

Recorded by Kenya Shields