

HARRIS HEALTH SYSTEM

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MINUTES OF THE BOARD OF MANAGERS MEETING

Thursday, February 27, 2014

Board Room – Administration Building

Members Present:

Ms. Carolyn Truesdell, Chair
Mr. Elvin Franklin, Jr. (left at 11:10 a.m.)
Ms. Daisy Stiner
Mr. Brandon Capetillo
Ms. Anne Clutterbuck (arrived at 9:05 a.m.; left at 11:09 a.m.)
Mr. Lawrence Finder (arrived at 9:05 a.m.)
Dr. George Santos
Mr. TJ Tijerina
Mr. E. Dale Wortham

Members Absent

Others Present:

Mr. David Lopez, President & Chief Executive Officer
Mr. Michael Norby, Executive Vice President & Chief Financial Officer
Ms. Victoria Nikitin, Vice President, Financial Services
Dr. Fred Sutton, Executive Vice President & Chief Medical Officer
Mr. Tim Tindle, Executive Vice President & Chief Information Officer
Ms. Beth Cloyd, Executive Vice President & Chief Nursing Officer
Dr. Ericka Brown, Sr. Vice President & Administrator, Ambulatory Care Services
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. Suzanne McPherson, Commissioner El Franco Lee's Office
Ms. Robyn Codner, Commissioner El Franco Lee's Office
Ms. Elizabeth Neal, Harris County 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 Meeting

Motion 14.02-12

Move by Mr. E. Dale Wortham, seconded by Mr. TJ Tijerina, Jr., and unanimously passed, that the Board approve the minutes of the January 30, 2014 Board of Managers meeting.

III. Announcements/Special Presentations

A. Special Presentation – Ms. Carolyn Truesdell, Chair, recognized Ms. Ruth Ransom, Executive Director of the Harris County Hospital District Foundation, for the successful outcome of the Texas Med Center Walk/Run held Saturday, February 8, 2014. Ms. Truesdell presented Ms. Ransom a well-worn tennis shoe as a humorous token of appreciation for the Foundation’s dedication and hard work in making the event a success. Ms. Ransom stated that proceeds from the Texas Med Center Walk/Run will be allocated to the Harris Health System’s immunization program.

B. Special Recognition – Dr. Robert Trenchel, Senior Vice President and Administrator, and Mr. Michael Staley, Vice President, Operations, Ben Taub General Hospital, recognized Dr. Eric J. Silberfein, General Surgery, Ben Taub General Hospital, for his Outstanding Performance in a time of crisis. Dr. Robert Trenchel commended Dr. Silberfein for his leadership and timely response in establishing a command center and emergency response process during the recent internal disaster at Ben Taub General Hospital. Dr. Trenchel also recognized Mr. Michael Staley, Vice President, Operations, for ensuring patient safety and ensuring that most medical services and facilities were uninterrupted during the crisis.

IV. Hear from Citizens

Ms. Cynthia Cole, Representative/Employee Relations, Local No.150 AFSCME

Ms. Cynthia Cole, Executive Director of the Local No.150, AFSCME spoke on behalf of Harris Health System employees who are members of Local No.150. Ms. Cole requested that the administration and Board reconsider the plan to delay employee merit salary increases.

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

Motion 14.02-13

Moved by Mr. Elvin Franklin, Jr., seconded by Mr. Brandon Capetillo, and unanimously passed, that the Board approve agenda items V.A(1)a – V.A(1)g and V.A(1)i – V.A(1)oo, and V.A(1)qq – V.A(1) uu. Purchasing items A(1)h. and A(1)pp were **PULLED**.

Mr. Lawrence Finder recused himself from voting on agenda items A(1)s. and A(1)t. based on his law firm’s professional relationship with Siemens Healthcare Diagnostics, Inc.

A. Items related to Purchasing

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

- a. approve additional (non-budgeted) funds for United Healthcare Insurance Company – Dental PPO, Basic Life and AD&D, Voluntary Life and AD&D and Vision Coverage(s) for Dental DPPO in the estimated additional non-budgeted amount of \$253,162 for the term March 1, 2013 through February 28, 2014 (Board previously approved funds in the amount of \$6,239,582 for the term March 1, 2013 through February 28, 2014).
- b. approve the fourth and final renewal option for Press Ganey Associates, Inc., to provide patient satisfaction and HCAHPS surveys, employee surveys and physician surveys in the estimated amount of \$892,648 for the term March 1, 2014 through February 28, 2015.
- c. approve additional (non-budgeted) funds for CIGNA Health & Life Insurance Company – Medical Stop Loss Coverage to provide pharmacy benefit manager services and medical stop loss in the estimated additional non-budgeted amount of \$46,571 for the term March 1, 2013 through February 28, 2014 (Board previously approved funds in the amount of \$7,094,009 for the term March 1, 2013 through March 28, 2014).
- d. approve the second of four (4) renewal options for InformedRX – Pharmacy Benefit Manager Services (\$36,600) and CIGNA Health & Life Insurance Company – Medical Stop Loss Coverage (\$8,063,442) to provide pharmacy benefits manager services and medical stop loss in the estimated total multi-vendor amount of \$8,100,042 for the term March 1, 2014 through February 28, 2015.
- e. approve awards on the basis of best bids meeting specifications for AMO Sales and Service, Inc. (\$45,677) and Sunovion Pharmaceuticals, Inc. (\$83,485) to provide outpatient pharmaceutical products in the estimated total multi-vendor amount of \$129,162 for the term March 1, 2014 through February 28, 2015 with two (2) one-year renewal options.
- f. approve additional (budgeted) funds and an extension for CareFusion Solutions, Inc. [PPPH14CFS01] to provide purchase/rental and maintenance of automation medication and supply distribution cabinets/medication and supply in the estimated additional budgeted amount of \$1,496,328 for the extended term March 1, 2014 through February 28, 2015 (Board previously approved funds in the amount of \$3,097,272 for the term March 1, 2012 through February 28, 2014).
- g. approve the second of four (4) renewal options for Language Line Services, Inc., to provide language interpretation services in the estimated amount of \$826,185 for the term February 27, 2014 through February 26, 2015.
- h. PULLED**
- i. approve the guaranteed maximum price for JE Dunn Construction to provide construction manager at risk for the conversion of semi-private rooms at Ben Taub General Hospital – Phase Task Order 5 in the amount of \$1,838,606 (\$1,788,606 – construction price /\$50,000 – owner contingency).
- j. approve the guaranteed maximum price for JE Dunn Construction to provide construction manager at risk for the conversion of semi-private rooms at Lyndon

- B. Johnson Hospital in the amount of \$1,126,063 (\$1,076,063 – construction price / \$50,000 – owner contingency).
- k. approve the guaranteed maximum price for Teal Construction Company to provide construction manager at risk for renovations and build-outs of five (5) buildings – Phase Task Order 1 in the amount of \$1,307,518 (\$1,257,518 – construction price / \$50,000 – owner contingency).
 - l. approve additional (budgeted) funds for Smith Seckman Reid, Inc., to provide professional engineering and consulting services in the estimated additional budgeted amount of \$15,400 (Board previously approved funds in the amount of \$90,400).
 - m. approve additional (budgeted) funds for Wylie Consulting Engineering to provide mechanical, electrical and plumbing engineering services in the estimated additional budgeted amount of \$117,188 for the term June 7, 2013 through June 6, 2014 (Board previously approved funds in the amount of \$468,750 for the term June 7, 2013 through June 6, 2014).
 - n. approve an exemption from the competitive bid requirements for FKP Architects, Inc., to provide professional architectural services for the clinic relocation project from Ben Taub General Hospital to Ben Taub Tower in the estimated amount of \$869,370.
 - o. ratify additional (budgeted) funds and an extension for Johnson Controls Inc., to provide maintenance and service of building automation HVAC System in the additional budgeted amount of \$60,233 for the extended term February 1, 2014 through April 30, 2014 (Board previously approved funds in the amount of \$240,932 for the term February 1, 2013 through January 31, 2014).
 - p. approve the purchase on the basis of only quote received for SimplexGrinnell, LP to provide equipment, programming, modification, technical and installation services for the upgrade of the Lyndon B. Johnson General Hospital fire alarm system in the amount of \$900,000 (\$813,519 – project price / \$86,481 – owner contingency).
 - q. approve purchase on the basis of low quote for The Trane Company through Hunton Services [TCPN #R5045] (\$156,620 – Chiller) and Hunton Services [TCPN #R5045] (\$302,060 – Installation) to provide chiller replacement in the amount of \$500,00 (\$458,680 – project price / \$41,320 – owner contingency).
 - r. approve purchase on the basis of lowest priced contract for Herman Miller, Inc. through Office Pavilion to provide furniture and systems, casegoods, seating and accessories in the estimated amount of \$285,462.
 - s. approve additional (budgeted) funds and an extension for Siemens Healthcare Diagnostics, Inc., [PP-LA-257] to provide chemistry and immunochemistry analyzers, automation, reagents, consumables and service (VISTA) in the additional budgeted amount of \$1,638,627 for the extended term April 1, 2014 through September 30, 2014 (Board previously approved funds in the amount of \$4,487,580 for the term September 13, 2012 through March 31, 2014).

- t. approve additional (budgeted) funds and an extension for Siemens Healthcare Diagnostics, Inc., [PP-LA-257] to provide chemistry and immunochemistry analyzers, reagents, consumables and service (CENTAUR) in the additional budgeted amount of \$853,118 for the extended term April 11, 2014 through September 30, 2014 (Board previously approved funds in the amount of \$2,813,843 for the term September 13, 2012 through March 31, 2014).
- u. approve the fourth and final renewal option for Ricoh USA, Inc., to provide high speed and color photocopiers in the estimated amount of \$285,715 for the term March 1, 2014 through February 28, 2015.
- v. approve the third of four (4) renewal options for The LaNair Company, Inc., dba City Brace Company, Inc. to provide prosthetic, orthotic and pedorthotic devices and services in the estimated amount of \$160,000 for the term May 1, 2014 through April 30, 2015.
- w. ratify second year funding for Integra LifeSciences Jarit Instruments [PP-OR-928] (\$8,384) and CareFusion 2200, Inc. [PP-OR-927] (\$204,000) to provide surgical instruments in the estimated total multi-vendor amount of \$212,384 for the term February 1, 2014 through January 31, 2015.
- x. ratify second year funding for Cardinal Health 200, LLC [PP-NS-743] (\$122,284) and Covidien Sales LLC [PP-NS-745] (\$141,540) to provide suction canisters, yankauers and tubing in the total estimated total multi-vendor amount of \$263,824 for the term February 1, 2014 through January 31, 2015.
- y. ratify purchase on the basis of best contract for Baxter Healthcare Corporation to provide IV therapy products, IV fluids, bag-based drug delivery and TPN macronutrients in the estimated amount of \$1,864,646 for the term February 1, 2014 through January 31, 2015.
- z. approve purchase on the basis of best contracts for Medi-Tech International Corporation [PP-NS-794 – Option 2] (\$52 – Item 43), Tetra Medical Supply Corporation [PP-NS-795 – Option 2] (\$21,737 – Items 44-53) and Covidien Sales LLC [PP-NS-793 – Options 2], (\$207,858 – Items 2-38, 40) in the estimated total multi-vendor amount of \$229,647 for the term March 1, 2014 through February 28, 2015.
- aa. ratify purchase on the basis of best contract for Cardinal Health 200, LLC to provide surgical and isolation masks in the estimated amount of \$263,594 January 1, 2014 through December 31, 2014.
- bb. ratify purchase on the basis of lowest priced contract for Cardinal Health 200, LLC to provide IV site management in the estimated amount of \$507,379 for the term January 1, 2014 through December 31, 2014.
- cc. approve award on the basis of low bid per item for Communications Supply Corp. (\$13,165) and Graybar Electric (\$155,587) to provide telephone and data cable in the estimated total multi-vendor amount of \$168,752 for the term March 1, 2014 through February 28, 2015 with four (4) one-year renewal options.

- dd. approve purchase on the basis of only quote for General Data Tech, L.P. [DIR-SDD-1385] to provide Cisco Security Enterprise Software in the estimated amount of \$500,804 for a three-year term.
- ee. approve purchase on the basis of low quote for General DataTech, L.P. [DIR-SDD-1385] to provide Cisco ASA 5585-X adaptive security firewall in the amount of \$260,903.
- ff. approve purchase on the basis of low quote for General DataTech, L.P. [DIR-SDD-1385] to provide Cisco network equipment and maintenance in the amount of \$262,761.
- gg. approve renewal on the basis of sole source for Oracle USA, Inc., to provide PeopleSoft software license and support in the estimated amount of \$583,936 for the term March 1, 2014 through February 28, 2015.
- hh. approve purchase on the basis of sole source for Epic Systems Corporation to provide supplemental staffing in the amount of \$256,142.
- ii. approve purchase on the basis of only quote received for Carahsoft Technology Corporation [GS-35F-0119Y] to provide SAP BusinessObjects software licenses and maintenance support in the estimated amount of \$270,200 for the term March 16, 2014 through March 15, 2015.
- jj. approve corrected term for Set Solutions, Inc., to provide privacy breach detection software for a one-year initial term with four (4) one-year renewal options (Board previously approved the term October 1, 2012 through September 30, 2013).
- kk. approve award on the basis of only proposal received for Optos to provide a scanning laser ophthalmoscope in the amount of \$119,000.
- ll. ratify purchase on the basis of sole source for Texas Medical Center to provide 1,700 parking spaces at various locations in the Texas Medical Center in the estimated amount of \$1,295,400 for the term January 1, 2014 through December 31, 2014.
- mm. approve award on the basis of best bid for IdentiSys, Inc. (Bid No.3) to provide secure employee identification and access control cards in the estimated amount of \$40,200 for the term March 1, 2014 through February 28, 2015 with four (4) one-year renewal options.
- nn. approve the second of four (4) renewal options for The University of Texas M.D. Anderson Cancer Center to provide colposcopy and other professional medical services in the estimated amount of \$100,000 for the term March 1, 2014 through February 28, 2015.
- oo. approve renewal for The University of Texas Health Science Center at Houston to provide assistance with the development and implementation of required learning collaborative events associated with implementation of the 1115 Waiver and Delivery System Reform Incentive Payment (DSRIP) program projects in the estimated amount of \$96,118 for the term March 1, 2014 through February 28, 2015.
- pp. **PULLED**

- qq. approve purchase on the basis of single source contract for US Foods [PP-DI-001C] to provide food products and distribution in the estimated amount of \$2,800,000 for the term March 1, 2014 through February 28, 2015.
 - rr. ratify (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 \$484,168 for the extended term November 1, 2013 through April 30, 2014 (Board previously approved funds in the amount of \$2,311,235 for the term May 1, 2012 through October 31, 2013).
 - ss. approve award on the basis of lowest priced proposal for Iron Mountain (Option 1) to provide off-site storage and maintenance of medical records, x-ray film and retrieval service in the amount of \$1,361,673 for a one-year initial term with four (4) one-year renewal options.
 - tt. ratify the second of four (4) renewal options for the Texas Medical Center – Hospital Cooperative Laundry Association to provide linen processing, cart building and transportation services in the estimated amount of \$2,194,347 for the term February 23, 2014 through February 22, 2015.
 - uu. ratify additional (budgeted) funds and an extension for Best Care EMS, Ltd. (Primary Vendor), Acadian Ambulance Service, Inc. (Secondary Vendor) and Acute Medical Services LLC (Tertiary Vendor) to provide ambulance services in the additional budgeted amount of \$466,700 for the extended term December 1, 2013 through March 31, 2014 (Board previously approved funds in the amount of \$849,234 for the term August 1, 2012 through November 30, 2013).
- A (2). Transmittals of Completed Items **[For Informational Purposes]**
- a. transmittal of purchase on the basis of single source contract for Craneware, Inc. to provide Chargemaster software in the amount of \$90,300 for the term December 31, 2013 through December 30, 2014.
 - b. transmittal of an exemption from the competitive bid requirements for Southeast Reimbursement Group, LLC to provide a Medicare/Medicaid cost report for the fiscal year ending February 28, 2014 in the estimated amount of \$55,900 for a one-year term.
 - c. transmittal of purchase on the basis of best contract for Procter & Gamble Distributing LLC [PP-WC-114] to provide infant diapers and related products in the estimated amount of \$51,081 for the term March 1, 2014 through February 28, 2015.
 - d. transmittal of purchase on the basis of best contract for Baxter Healthcare Corporation [PP-IV-123] to provide IV infusion sets and accessories in the estimated amount of \$78,550 for the term February 1, 2014 through January 31, 2015.
 - e. transmittal of the third and final renewal option on the basis of sole source for UpToDate, Inc. to provide UpToDate on-line subscription clinical resource information in the estimated amount of \$83,596 for the term November 1, 2013 through October 31, 2014.

- f. transmittal of purchase for Gartner Inc. [DIR-SDD-1273] to provide IT and business strategy research resource services in the estimated amount of \$92,136 for the term February 1, 2014 through January 31, 2015.
- g. transmittal of additional (budgeted) funds for Emporos Systems Corporation to provide pharmacy cashing system in the estimated additional budgeted amount of \$79,000 for the term June 16, 2013 through June 15, 2014 (Board previously approved funds in the amount of \$171,332 for the term June 16, 2013 through June 15, 2014).
- h. transmittal of the corrected term and fourth and final renewal option for HT Systems, Inc. to provide biometrics identification system and software support in the estimated amount of \$76,046 for the corrected term June 1, 2014 through May 31, 2015 (Board previously approved funds in the amount of \$76,046 for the term February 25, 2014 through February 24, 2015).
- i. transmittal of purchase on the basis of best contract to Immucor-Gamma to provide traditional blood bank reagents in the estimated amount of \$69,069 for the term August 1, 2013 through July 31, 2014.
- j. transmittal of purchase on the basis of sole source for Dräger Medical Inc. to provide preventative maintenance and repair services in the amount of \$98,798 for a one-year initial term with four (4) one-year renewal options.
- k. transmittal of award on the basis of only proposal received for Iridex Corporation to provide an ophthalmological diode laser in the amount of \$63,300.
- l. transmittal of purchase on the basis of low quote for G & K Services, Inc. to provide mat and mop services in the amount of \$60,227 for a one-year initial term with two (2) one-year renewal options.
- m. transmittal of utilization for Oak Farms Dairy to provide dairy products in the estimated amount of \$72,000 for the term March 1, 2014 through June 30, 2014.

Motion 14.02-14

Moved by Mr. Elvin Franklin, Jr., seconded by Mr. Brandon Capetillo, an unanimously passed, that the Board approve agenda items V.B. – V.G.

Mr. E. Dale Wortham requested clarification regarding agenda item V.F. Dr. Ericka Brown, Senior Vice President and Administrator, Ambulatory Care Services, stated that low utilization of Deepwater school based clinic and the organizational imperative to improve resource utilization justified exercising the 90-Day termination option. Dr. Brown confirmed that she met with Commissioner Morman to discuss the termination of service and assured him that the school administration and the community would be informed about the service transfer process through a marketing initiative lead by Harris Health System Corporate Communications. Dr. Brown also stated that the Deepwater patients would receive healthcare services at the Pediatric and Adolescent Health Center in Pasadena and the Southside Health Clinic in nearby Galena Park.

- B. Approval to Rescind the Harris Health System Policy No. 6.02, Car Allowance.
- C. Approval to Ratify an Agreement between the Performance Management Unit of the Texas Department of State Health Services (DSHS) and the Harris County Hospital

District d/b/a Harris Health System to Provide Expanded Primary Care Services to female residents of Harris County.

- D. Approval to Ratify an Agreement between the Harris County Hospital District d/b/a Harris Health System and The Salvation Army to Provide On-site Health Care and Eligibility Services at Three Sites to Eligible Homeless Individuals of the Health Care for the Homeless Program.
- E. Approval to Enter into a New Inter-local Agreement with Harris County to Provide Wage Rate Compliance Services, including Insurance and Bond Verification Services, for Harris Health System's Capital Improvement Construction Projects.
- F. Approval to Exercise the 90-Day Termination Option in the Agreement between the Deer Park Independent School District and the Harris County Hospital District d/b/a Harris Health System in order to Cease Offering Health Care Services at the Deepwater School Based Clinic.
- G. Acceptance of the Harris County Auditor's Harris Health System Capital Equipment Controls Report.

VI. Reports of the Committee

A. Joint Conference Committee

Motion 14.02-15

Moved by Mr. Elvin Franklin, Jr., second by Dr. George Santos, and unanimously passed, that the Board accept agenda item VI.A.1.

1. Acceptance of the Medical Executive Board Report for February 2014.

Dr. Tien Ko, Chairman, Medical Executive Board, reported that the Medical Executive Board met on February 11, 2014 and there were no significant updates. Dr. Ko stated his appreciation for the Board's recognition of Dr. Eric Silberfein's outstanding crisis management during the recent internal disaster at Ben Taub General Hospital.

Motion 14.02-16

Moved by Mr. Elvin Franklin, Jr., seconded by Mr. E. Dale Wortham, and unanimously passed, that the Board approve agenda items VI.A.2 and VI.A.3.

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

B. Performance Improvement & Patient Safety Committee

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, Chief Medical Officer, presented the Patient Satisfaction Trend Charts. He highlighted that the indicator regarding cleanliness continues to improve. A copy of the report is available in the permanent

record.

b. Review and Discussion Regarding the Physician Satisfaction Progress Report

Dr. Sutton presented the Physician Satisfaction Progress Report. He reported that he met with 50-60 physicians to hear their concerns and suggestions for improving physicians' practice and efficiency of medical care. Dr. Sutton stated that information received from meetings with medical staff, physicians, residents as well as the Triads and EVP rounds will be developed as indicators and incorporated into the scorecard. A copy of the report is available in the permanent record.

c. Review and Discussion Regarding the Emergency Center Medical Screening Exam

Dr. Sutton presented the Emergency Center Medical Screening Exam report. He reported that the medical staff continues to focus on ensuring medical screenings are conducted by physicians in a timely manner. A copy of the report is available in the permanent record.

2. Review and Discussion Regarding the Harris Health System Quality Infection Prevention Report

a. Review and Discussion Regarding Infection Prevention – Ben Taub General Hospital

Dr. Sutton presented the Infection Prevention report for Ben Taub General Hospital in detail. He stated that the infection prevention report will be revised to reflect standardized processes for both pavilions. A copy of the report is available in the permanent record

b. Review and Discussion Regarding Infection Prevention – Lyndon B. Johnson General Hospital

Dr. Sutton presented the Infection Prevention Report for Lyndon B. Johnson General Hospital. He stated that the infection prevention report for both pavilions will be presented in Committee on a quarterly basis including a standardized infection ratio that incorporates risk-adjusted data beginning March 2014. Dr. Sutton noted that an infection ratio greater than one will be considered as an outlier. A copy of the report is available in the permanent record.

3. Review and Discussion Regarding the Harris Health System Quality Restraint and Seclusion Report

a. Review and Discussion Regarding Restraint and Seclusion Usage Scorecard

Dr. Sutton presented the Restraint and Seclusion Usage Scorecard. He stated that the revised education module that illustrates the appropriate restraint and seclusion process has helped improve the face-to-face assessment conducted by physicians and has improved the documentation process as well.

Ms. Anne Clutterbuck requested clarification regarding the number of patient falls at Quentin Mease Community Hospital. Dr. Sutton stated the some patients exercise their independence and elect not to call for help when they need assistance. Dr. Sutton stated that the beds at Quentin Mease have been

modified and the fall prevention process has also been modified. Ms. Claire Lauzon-Vallone, Director, Nursing Patient Safety and Quality Care, from Ben Taub General Hospital stated that there is a corrective action plan at Quentin Mease to address patient falls and that the standardized benchmark on the after-fall protocol action form is requested from all units. Discussion ensued. A copy of the report is available in the permanent record.

4. Review and Discussion Regarding Harris Health System Nursing Direct and Indirect Care Analysis [**Board Deliverable**]

Ms. Beth Cloyd, Executive Vice President and Chief Nursing Officer, presented the Harris Health System Nursing Direct and Indirect Care Analysis. Ms. Cloyd noted that she had complied with a request for additional information regarding an analysis of the nursing vacancy rate delineating the allocation of leadership and direct care resources. Ms. Cloyd stated that 96% of the nursing staff provides direct care and that the remaining 4% of nursing staff represents leadership and support roles. Ms. Cloyd stated that the benchmark for allocation of nursing staff is received from professional leadership literature, which incorporates scope and span of control, i.e., a supervisory level nurse may be assigned fifteen (15) to twenty-five (25) nurses. Ms. Cloyd stated that two (2) areas will be opening at Ben Taub General Hospital, OR and peri-op, and that an aggressive recruiting campaign is currently being implemented to achieve staffing goals as well as reduce the nursing vacancy rate.

Ms. Anne Clutterbuck requested clarification regarding the vacancy rate and the impact on twenty-four hour bedside nursing care. Ms. Cloyd stated that 24-hour bedside nursing requires 4.2 nurses and that nursing vacancies are filled with overtime, registry nurses or other supplementary nurses from Harris Health System flow pool to ensure continuous care. Ms. Cloyd stated further that 24-hour care requires 100% direct care from nurses. Discussion ensued. A copy of the report is available in the permanent record.

5. Review and Discussion Regarding a Report on the Impact of Eliminating Focus on the American Nurse Credentialing Center (ANCC) Magnet Standard Report [**Board Deliverable**]

Ms. Cloyd presented the Impact of Eliminating Focus on the American Nurse Credentialing Center (ANCC) Magnet Standard Report. Ms. Cloyd gave a historical perspective of Harris Health System's nursing credentialing, nursing care and nursing practice. Ms. Cloyd also stated that the Magnet standards, evaluation benchmarks and other national guidelines are integrated into Harris Health System's nursing strategic planning and evaluation processes for improving patient care. Ms. Cloyd noted that Magnet standards serve as an effective recruitment and retention tool for top nursing talent and that nurses are trained to seek Magnet designated hospitals. Ms. Cloyd noted further that Harris Health System may be at a disadvantage for not having a formal Magnet standard program.

Mr. Franklin requested clarification regarding length of time Harris Health System may have before acquiring Magnet designation. Ms. Cloyd stated that while Harris Health System is not a Magnet designated hospital, it is on a Magnet journey and laying the foundation and processes. Ms. Cloyd also explained that

the process to become a Magnet designated hospital requires an assessment of the nursing program and on-site visits. Ms. Cloyd reported that a letter of intent must be submitted to the ANCC at the end of the calendar year, and that the initial cost for implementation is \$275K.

Ms. Clutterbuck requested clarification regarding training requirements for the Magnet journey. Ms. Cloyd said that there are no education or training requirements for a nurse to participate in the Magnet journey. Discussion ensued. A copy of the report is available in the permanent record.

6. Review and Discussion Regarding a Report on Courses Required for Nurses at Harris Health System to Maintain Employment [**Board Deliverable**]

Ms. Cloyd presented the report regarding Courses Required for Nurses at Harris Health System to Maintain Employment. Ms. Cloyd stated that a team has been established comprised of the Learning and Resource Center, Human Resources and Information Technology to develop strategies and to meet nursing requirements for education and training courses more effectively and efficiently. A copy of the report is available in the permanent record.

C. Budget & Finance Committee

Motion 14.02-17

Moved by Mr. Elvin Franklin, Jr., seconded by Mr. Brandon Capetillo, and unanimously passed, that the Board accept agenda items VI.C.1. through VI.C.3.

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

Mr. Michael Norby, Executive Vice President and Chief Financial Officer presented the Harris Health System January 2014 Financial Report. He stated that patient volume was higher than budget and that adjusted patient days were 6.9%, greater than budget with approximately 65.5% of the volume representing outpatient care. Mr. Norby stated that clinic visits were 5.6% less than budget and that primary care clinic visits were 8.4% less than budget; however, specialty clinic visits were 1.7% greater than budget. Mr. Norby also stated that emergency center visits were 0.8% greater than budget. Mr. Norby stated that in January, cash receipts totaled \$293.6M and non-section 1115 Waiver funds totaled \$236.0M compared to a budget of \$227.5M. A copy of the report is available in the permanent record.

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

Mr. Norby presented the Harris Health System January 2014 Pension Plan Report. He stated that market value of the Plan was \$538.8M and that the value is \$29.7M less as a result of payment activity including: \$15.3M as payout to plan participants, routine benefits payments of \$2.7M, and an \$11.7M loss in portfolio value. Mr. Norby noted that the Pension Plan was 78.0% funded as of January 31, 2014. A copy of the report is available in the permanent record.

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

Mr. Norby presented the January 2014 Investment Report. Mr. Norby highlighted that the investment earnings were \$95,000 for the month of January and that the period ending investment balance was \$425.3M. A copy of the report is available in the permanent record.

Motion 14.02-18

Moved by Mr. Brandon Capetillo, seconded by Ms. Anne Clutterbuck, and unanimously passed, that the Board approve agenda item VI.C.4; eight (8) in favor; one (1) opposed.

4. Approval of the Harris Health System FY2015 Operating and Capital Budget.

Mr. Norby presented the Harris Health System FY2015 Operating and Capital Budget. Mr. Norby stated that the proposed FY2015 Capital Budget is projected to total \$46M, which includes approximately \$11M for Delivery System Reform Incentive payment (DSRIP) projects. In reference to the Strategic Capital Projects, Mr. Norby stated that as of January 31, 2014, the funds used for projects under design and construction totaled \$82.5M and the remainder of the capital funds totaled approximately \$75M. Mr. Norby stated that the proposed net revenue totaled \$1.31B and that the proposed operating expenses also totaled \$1.31B for FY2015, thus yielding a break-even budget. Ms. Carolyn Truesdell and Mr. Brandon Capetillo thanked Mr. Norby, Mr. Lopez and the administration for their efforts in reaching a balanced budget.

Dr. Santos requested a Board retreat to address future budget planning strategy and process, and the uncertainty of the 1115 Waiver renewal. Mr. E. Dale Wortham stated his concern that the proposed FY2015 budget, may not be achievable due to the increased demand for services and the increased patient volume. Significant discussion ensued. Mr. Tijerina requested the Budget and Finance Committee receive quarterly updates regarding the FY2015 Operational and Capital budget including whether revenue projections are on target and funds (Federal, State and private) have been received. Ms. Daisy Stiner requested that during the retreat, that the Board examine the operational impact of not proceeding with long term projects as well as examine the capital projects that have been delayed. Ms. Carolyn Truesdell requested the Board retreat be scheduled within the next two months.

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

Mr. Kenneth Janda, President and Chief Executive Officer, Community Health Choice, Inc. (CHC, Inc.), presented the January 2014 Financial Statements of Community Health Choice, Inc. Mr. Janda stated that the loss of \$2.8M was less than budgeted which resulted in a positive \$1.9M. Mr. Janda stated that membership continued to decrease during the month of January and that the drop in membership is a state-wide phenomenon as a result of Texas' non-participation in Medicaid expansion. Mr. Janda noted that CHC, Inc. is working with other advocacy groups to address issues related to Texas' failure to participate in the Medicaid expansion. A copy of the report is available in the permanent record.

Motion 14.02-19

Moved by Mr. Elvin Franklin, Jr., seconded by Dr. George Santos, and passed, that the Board approve agenda item VI.C.6.; Eight (8) in favor; one (1) opposed.

6. Approval of the Community Health Choice, Inc. FY2014 Operating and Capital Budget (January 1, 2014 – December 31, 2014).

Mr. Janda presented the Community Health Choice, Inc. (CHC, Inc.) FY2014 Operating and Capital Budget (January 1, 2014 through December 31, 2014). Mr. Janda stated that the FY2014 budget is basically break-even with a net income of \$14,467. A copy of the report is available in the permanent record.

Motion 14.02-20

Moved by Mr. Elvin Franklin, Jr., seconded by Ms. Daisy Stiner, and unanimously passed, that the Board approve agenda item VI.C.7.

7. Approval for The University of Texas Health Science Center at Houston to provide a Grant Budget Reconciliation Agreement for qualified preceptors to educate and train advanced practice registered nurses (APRNs) in the amount of \$27,507.

D. Planning & Operations Committee

Items Related to Human Resources.

1. Review and Discussion Regarding the Harris County Hospital District d/b/a Harris Health System Affiliation Agreements Annual Report (January 1, 2013 – December 31, 2013).

Dr. Cleveland Black, Administrative Director, District Education, presented the Affiliation Agreements Annual Report from January 1, 2013 through December 31, 2013. Dr. Black highlighted that Harris Health System currently holds 161 affiliation agreements with academic entities that provide services and training in varying areas or specialties including: administration, community health education, district operations, fiscal administration, government relations, information technology, learning resource center, medical staff, mission and advancement, nursing, pharmacy, and rehabilitation services. Dr. Black noted that the largest percentages of affiliation agreements are in Nursing Service at 42.9%, rehabilitation services at 18% followed by pharmacy services at 11.2% and District operations at 9.9%.

Mr. Lawrence Finder requested clarification on the tangible cost for agenda items VI.D.2, VI.D.4, VI.D.5, VI.D.7, and VI.D.9. Dr. Ericka Brown clarified that a cost benefit analysis had been conducted and it was determined that the affiliation agreements would incur a nominal cost mostly for clinical and medical supplies and recruitment. A copy of the report is available in the permanent record.

Motion 14.02-25

Moved by Dr. George Santos, seconded by Mr. Brandon Capetillo, and unanimously passed, that the Board approve agenda items VI.D.2 through VI.D.9.

2. Approval of an Affiliation Agreement between Harris County Hospital District d/b/a Harris Health System, Baylor College of Medicine, and the University of North Texas (Master of Science Degree in Speech – Language Pathology

- Program).
3. Approval of an Affiliation Agreement between Harris County Hospital District d/b/a Harris Health System and Galena Park Independent School District (Health Science Technology Student Clinical Rotation Program).
 4. Approval of an Affiliation Agreement between Harris County Hospital District d/b/a Harris Health System and the Texas A&M University System Health Science Center, Irma Lerma Rangel College of Pharmacy (Advanced Pharmacy Practice Experience Program).
 5. Approval of an Affiliation Agreement between Harris County Hospital District d/b/a Harris Health System and Texas Southern University College of Pharmacy and Health Sciences (Pharmacy Residency Certificate Program).
 6. Approval of an Affiliation Agreement between Harris County Hospital District d/b/a Harris Health System and The University of Texas MD Anderson Cancer Center (Post Graduate PharmD Residency Program – 001548).
 7. Approval of an Affiliation Agreement between Harris County Hospital District d/b/a Harris Health System and The University of Texas MD Anderson Cancer Center School of Health Professions (Bachelor of Science in Histotechnology Program).
 8. Approval of an Affiliation Agreement between Harris County Hospital District d/b/a Harris Health System, The University of Texas Medical Branch at Galveston, and The University of Texas Health Science Center at Houston (Master of Science – Physician Assistant Studies Program).
 9. Approval of an Affiliation Agreement between Harris County Hospital District d/b/a Harris Health System and The University of Texas Health Science Center at Houston (Doctor of Nursing Practice Program).

Motion 14.02-26

Moved by Mr. E. Dale Wortham, seconded by Mr. Lawrence Finder, and unanimously passed that the Board approve agenda item VII.D.10.

10. Approval to name the Same Day Clinic located on the Lyndon B. Johnson General Hospital Campus at 5550-A Kelley Street, Houston, Texas 77026 the Margo Hilliard Alford Clinic.

Ms. Truesdell requested clarification regarding the facility to be named for Dr. Margo Hilliard Alford. Dr. Ericka Brown stated that the medical services for the Dr. Margo Hilliard Alford will be provided temporarily in the Same Day Clinic on the Lyndon B. Johnson General Hospital Campus. Once the facility has been built, clinic services will subsequently be transferred to the new facility or building to be in honor of Dr. Margo Hilliard Alford.

E. Legislative Committee

1. Update, Discussion and Possible Action Regarding Activities in Austin Relating to Legislative/Regulatory Issues Impacting Harris Health System, the 83rd Legislative Session, and the Harris Health System Legislative Platform.

Mr. R. King Hillier, Vice President, Public Policy and Government Relations presented activities in Austin relating to legislative and regulatory issues impacting Harris Health System. Mr. Hillier stated that the Sunset Advisory Commission met last month to review all the Department of Health and Human Services agencies. He stated that public testimony is scheduled for June 24 - 25, 2014. Mr. Hillier stated that policy recommendations will occur the last week in August 2014. Mr. Hillier also stated that he sent Ms. Nicole Streeter, Director, Board Affairs, a summary of the Sunset Advisory Commission meeting including names of members of the Commission as information for future reference. Mr. Hillier noted that the staff from the Sunset Advisory Commission visited Harris Health System several weeks ago and that members of the Commission were receptive to comments and suggestions he and other Harris Health attendees proposed.

Mr. Hillier stated that Lt. Governor David Dewhurst added an additional charge to the Health and Human Services Commission that stipulates a review of alternatives to the Affordable Care Act for the uninsured in the State and movement toward a Medicaid block grant or a waiver type program similar to the model in the state of Arkansas. Mr. Hillier stated that the state of Illinois has an alternative marketplace model titled, CookCare, and that he has contacted representatives from CookCare and plans to meet with them at the Policy Assembly Meeting in Washington, DC in April 2014.

Mr. Hillier stated that he is a member of two committees, one with the Texas Hospital Association and the other with the Teaching Hospitals of Texas. He stated that the goal of these committees is to determine a solution to the Federal and State impasse over Medicaid expansion. Mr. Hillier mentioned that Board members are welcome to participate in these meetings to help develop solutions to provide care for the uninsured. Mr. Hillier noted that he and Mr. Lopez will be talking with key members of the legislature to review their solutions for an alternative plan to the Medicaid expansion and discuss effective strategies to advocate for the renewal of the 1115 Waiver. Mr. Hillier noted that the renewal of the 1115 Waiver process is an initiative that will be led by the new Governor of Texas.

Mr. Hillier reported that Senator Sylvia R. Garcia, District 6 requested that Harris Health System host and participate in Change Happens, one of eight Texas organizations to receive Federal funds to help train health Navigators to enroll uninsured citizens in the Affordable Care Act (ACA). Mr. Hillier stated that a teleconferenced training session will be held March 6, 2014 at Harris Health System, Administration Building. He stated that during the training, calls will be taken from constituents seeking assistance enrolling in the insurance marketplace.

Mr. Hillier stated that he and Mr. David Lopez met with State Representative Garnet F. Coleman, District 147, regarding his request for Harris Health System and Harris County Community Colleges to participate in a Legislative Enrollment Event to assist with the enrollment process and provide an informational session regarding the Affordable Care Act (ACA) to be hosted by

members of the Texas legislature. The Legislative Enrollment Event will be held at select Harris Health System locations.

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

Mr. Hiller presented the pending Federal Legislative and Policy Issues affecting Harris Health System. He reported that Mr. David Lopez, Ms. Anne Clutterbuck and Ms. Mary Schneider will join him at the Policy Assembly, a semi-annual advocacy event, sponsored by America's Essential Hospital Association (formerly known as the National Association of Public Hospitals) to be held in Washington, DC. April 1-2, 2014.

VII. Miscellaneous Agenda Items

Motion 14.02-27

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

Motion 14.02- 28

Moved by Mr. E. Dale Wortham, seconded by Mr. Lawrence Finder to rescind **Motion 14.02-27** and defer agenda VII.A to the next Board of Managers meeting held March 27, 2014.

- A. Approval of Amended and Restated Bylaws of the Harris County Hospital District Foundation.

Ms. Carolyn Truesdell presented the topic regarding the Amended and Restated Bylaws of the Harris County Hospital District Foundation. She stated that she wanted to confer with Attorney Hank Coleman, former legal counselor who was instrumental in the development of the Foundation Bylaws. Ms. Truesdell requested that agenda item VII.A. be deferred to the next meeting of the Board of Managers held on March 27, 2014.

Motion 14.02-21 (presented out of order after Budget and Finance)

Moved by Dr. George Santos, seconded by Ms. Anne Clutterbuck and unanimously passed that the Board approve agenda item VII.B.

- B. Discussion and Possible Action Regarding the Appointment of the Harris Health System Operational Assessment Special Committee.

Ms. Truesdell led the discussion regarding the Appointment of the Harris Health System Operational Assessment Special Committee. Ms. Truesdell stated that in April of 2013, administration indicated a consultant would be hired to assess Harris Health System's operations to recommend improvements and efficiencies. Ms. Truesdell reported that the request for proposal (RFPs) was issued and that several consultants responded. Ms. Truesdell stated further that several Board members indicated their interest in reviewing the proposals. Ms. Truesdell appointed Mr. Brandon Capetillo as chair of the Operational Assessment Special Committee and Mr. E. Dale Wortham and Dr. George Santos as members of the committee.

Motion 14.02-22 (presented out of order)

Moved by Dr. George Santos, seconded by Ms. Anne Clutterbuck, and unanimously passed, that the Board waive the Bylaws of the Board of Managers provision pursuant to Article VI.1 regarding Election of Officers.

C. Discussion Regarding the Harris Health System Board of Managers Nominating Committee and Election of Officers.

Ms. Truesdell opened the discussion Regarding the Nominating Committee and Election of Officers. She stated that it is the responsibility of the Board to elect new officers at the February 2014 Board meeting. Ms. Truesdell stated that the Board has the ability to waive the Bylaws of the Board of Managers provision regarding the Election of Officers. The election of officers will be conducted at the Board of Managers meeting held on March 27, 2014, as the Nominating Committee was not able to meet in February.

VIII. President/Chief Executive Officer's Reports (presented out of order)

A. Current Organizational Chart with Salary Changes from 2013 to 2014

(Provided pursuant to the Bylaws of the Board of Managers of the Harris County Hospital District d/ b/ a Harris Health System, Article XI.1.c.)

Mr. David Lopez, President and Chief Executive Officer, presented the Current Organizational Chart with Salary Changes from 2013 to 2014. Mr. Lawrence Finder suggested that perhaps a dotted line relationship be included to demonstrate that Ms. Mercedes Leal, Harris County Attorney, has reporting responsibilities to both Harris County and Harris Health System.

B. FY2015 Tentative Merit Plan Process Change

Ms. Diane Poirot, Vice President, Human Resources, presented the FY2015 Tentative Merit Plan Process Change. She stated that the administration decided to delay merit increases until September 2014 to help maintain the \$35M expense reduction proposed in the FY2015 budget. Ms. Poirot stated that the merit plan process change will mandate that all employees' performance appraisals to be completed by September 1, 2014 instead of their anniversary date. Ms. Poirot added that the PeopleSoft application will need to be recalibrated to accommodate the change and that all merit increases will be prorated in accordance with an employee's last merit increase and performance appraisal. Mr. TJ Tijerina, Jr. requested a quarterly report on the status of merit increases and performance appraisals. Mr. Lopez requested the merit increase transition process plan be brought to the Board of Managers meeting held on March 27, 2014. A copy of the report is available in the permanent record.

IX. Executive Session (presented out of order)

At 10:41 a.m., Ms. Carolyn Truesdell stated that the Board would go into Executive Session under §161.032 of the Texas Health & Safety Code, Texas Occupations Code 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.

X. Reconvene

At 11:24 a.m., Ms. Carolyn Truesdell reconvened the meeting and stated that no action was taken in Executive Session

- A. Report by Senior Vice President of Corporate Compliance Regarding Compliance with Medicare, Medicaid, HIPAA and other Federal and State Health Care Program Requirements and a Status of Fraud and Abuse Investigations, pursuant to Section 161.032 of the 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 Cause No. 2313-25194: *Elizabeth Whitaker v. Harris County Hospital District*; In the 215th 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

Motion 14.02-23

Moved by Mr. Lawrence Finder, seconded by Dr. George Santos, and unanimously passed, that the Board adopt the following resolution:

The Harris County Hospital District d/b/a Harris Health System ("Harris Health"), by and through its Board of Managers, approves and hereby authorizes the allocation of additional funds in the amount of \$65,000 to the Agreement for Special Counsel between Harris Health and Haynes and Boone, LLP.

- D. Consultation with the County Attorney Regarding the Premier Group Purchasing Organization, 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

Motion 14.02-24

Moved by Mr. Lawrence Finder, seconded by Ms. Daisy Stiner, 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 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 in the amount of \$60,000.00 payable to Peter Obasogie. David S. Lopez, President/CEO, is authorized to execute any Agreement, release or other necessary documents to effect this settlement.

- F. Consultation with the County Attorney Regarding 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.

XI. Adjournment

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

There being no further business, the meeting adjourned at 12:10 p.m. .

I certify that the foregoing are the Minutes of the meeting of the Board of Managers of the Harris County Hospital District d/b/a Harris Health System held at the Administration Building in Houston, Texas on February 27, 2013.

Ms. Carolyn Truesdell, Chair
Board of Managers

Ms. Daisy Stiner, Secretary
Board of Managers

Recorded by Henrietta Robinson