

HARRIS HEALTH SYSTEM

HARRIS HEALTH SYSTEM

MINUTES OF THE BOARD OF MANAGERS MEETING

Thursday, April 24, 2014

Board Room – Administration Building

Members Present:

Mr. Elvin Franklin, Jr., Chair
Ms. Daisy Stiner
Mr. Brandon Capetillo
Dr. George Santos
Mr. TJ Tijerina
Ms. Carolyn Truesdell
Mr. E. Dale Wortham

Members Absent

Mr. Lawrence Finder
Ms. Anne Clutterbuck

Others Present:

Mr. David Lopez, President & Chief Executive Officer
Mr. George Masi, Executive Vice President & Chief Operations 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
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. Rosalinda Garcia, Assistant Attorney, Harris County Attorney's Office
Mr. DeWight Dopslauf, Purchasing Agent, Harris County Purchasing
Dr. Stephen Greenberg, General Director, Affiliated Medical Services
Dr. Tien Ko, Chairman, Medical Executive Board
Ms. Peggy Boice, Harris County 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, 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

Mr. Elvin Franklin, Chair, called the meeting to order at 9:03 a.m., and noted that a quorum was present. The attendance was recorded.

II. Approval of the Minutes of Previous Meeting

Motion 14.04-43

Moved by Ms. Carolyn Truesdell, seconded by, Mr. Brandon Capetillo, and unanimously passed, that the Board approve the minutes of the March 27, 2014 Board of Managers meeting.

Mr. Elvin Franklin, Jr., thanked the Board for their hard work and dedication and for electing him as 2014-2015 Chair of the Board. He also thanked the administration for their commitment to Harris Health System. He reminded Board members that they have volunteered to serve the people, and he also stated that whatever is not good for the people will not be good for the Harris Health System.

III. Announcements/Special Presentations

A. Special Presentation to Ms. Carolyn Truesdell

Mr. Elvin Franklin, Jr., Chair, Board of Managers, presented Ms. Carolyn Truesdell with a crystal gavel from the Harris Health System Board of Managers and an autographed Astros baseball and cap from Mr. Franklin. Ms. Truesdell expressed her appreciation and joy in serving as Board Chair with the dedicated Board members and medical staff. She added that she is excited about her continued service on the Board of the Harris Health System.

IV. Hear from Citizens

No citizen asked to speak.

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

Motion 14.04-44

Moved by E. Dale Wortham, seconded by Ms. Daisy Stiner, and unanimously passed, that the Board approve agenda items V.A(1)a – V.A(1)hh.

A. Items related to Purchasing

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

- a. ratify the first of two (2) renewal options for PharMedium Services LLC (\$194,075) and Unique Pharmaceuticals, Ltd. (\$589,767) to provide Sterile Admixing Pharmaceutical products in the estimated total multi-vendor amount of \$783,842 for the term April 9, 2014 through April 8, 2015 (PharMedium) and for the term April 30, 2014 through April 29, 2015 (Unique).
- b. approve the first of four (4) renewal options for MedAssets Net Revenue Systems, LLC to provide claims payment analysis solutions in the estimated amount of \$275,661 for the term April 24, 2014 through April 23, 2015.
- c. approve additional (budgeted) funds and an extension for Texas Access Controls, a division of Door Services Corporation to provide maintenance services for automatic doors in the additional budgeted amount of \$20,000 for the extended term May 1, 2014 through July 31, 2014 (Board previously approved funds in the amount of \$200,000 for the term May 1, 2013 through April 30, 2014).
- d. approve the guaranteed maximum price for Teal Construction Company to provide Construction Manager at-Risk for Renovation and Build-Outs of Five (5)

Buildings in the amount of \$756,472 (\$703,472 – construction price / \$53,000 – owner contingency).

- e. approve the first of three (3) renewal options for Wylie Consulting Engineers to provide engineering services in the estimated amount of \$585,938 for the term June 7, 2014 through June 6, 2015.
- f. approve the first of three (3) renewal options for Smith Seckman Reid, Inc. to provide engineering services in the estimated amount of \$312,500 for the term May 24, 2014 through May 23, 2015.
- g. approve award on the basis of successful negotiations for Texas Energy Engineers d/b/a ccrd partners to provide professional architectural and engineering services in the amount of \$500,000 for a one(1) year initial term with three (3) one-year renewal options.
- h. approve purchase on the basis of low quote for South Texas Boiler Industries to provide domestic water heater replacement and storage tank replacement at Lyndon B. Johnson Hospital in the amount of \$223,500 (\$208,250 – project price / \$15,250 – owner contingency).
- i. approve the second of four (4) renewal options for Nationwide Laboratory Services to provide laboratory testing services in the estimated amount of \$200,000 for the term May 1, 2014 through April 30, 2015.
- j. approve the second of four (4) renewal options for Harris County Institute of Forensic Sciences (IFS) to provide laboratory testing services in the amount of \$0 for the term July 1, 2014 through June 30, 2015.
- k. approve additional (budgeted) funds and an extension for Radiometer America, Inc. [fka PP-LA-163] to provide blood gas analyzers in the additional budgeted amount of \$81,348 for the extended term June 1, 2014 through November 30, 2014 (Board previously approved funds in the amount of \$325,392 for the term June 17, 2012 through May 31, 2014).
- l. approve the second of four (4) renewal options for MicroVention, Inc. to provide second generation embolization coils in the estimated amount of \$131,827 for the term June 1, 2014 through May 31, 2015.
- m. ratify the first of four (4) renewal options for Sysmex America, Inc. [PP-LA-265] to provide hematology analyzers, reagents, consumables, supplies and services in the estimated amount of \$265,750 for the term April 1, 2014 through March 31, 2015.
- n. approve the fourth and final renewal option for Cardinal Health to provide fecal occult blood immunochemical methodology, reagents, consumables and services in the estimated amount of \$570,168 for the term July 1, 2014 through June 30, 2015.
- o. ratify third-year funding for Triad Isotopes [PP-IM-175] to provide radiopharmaceutical products and distribution in the estimated amount of \$757,430 for the term April 1, 2014 through December 31, 2014.
- p. approve exemption from the competitive bid requirements and renewal for The Methodist Hospital to provide specialized health services for patients in the estimated amount of \$400,000 for the term July 1, 2014 through June 30, 2015.

- q. approve exemption from the competitive bid requirements and renewal for Texas Children's Hospital to provide on-call health services for pediatric patients in the estimated amount of \$25,000 for the term July 1, 2014 through June 30, 2015.
- r. approve the third of four (4) renewal options for TH Healthcare Ltd. d/b/a Park Plaza Hospital to provide ultrasound services in the estimated amount of \$35,000 for the term July 1, 2014 through June 30, 2015.
- s. approve renewal for Oracle USA, Inc. [DIR-VPC-03-018] to provide Oracle Database Maintenance and Support in the estimated amount of \$144,393 for the term June 1, 2014 through May 31, 2015.
- t. approve purchase on the basis of low quote for Oracle USA, Inc. [DIR-VPC-03-018] to provide maintenance and support for the Oracle Identity Access Management System in the estimated amount of \$135,335 for the term May 10, 2014 through May 9, 2015.
- u. approve renewal on the basis of sole source for Nuance Communications, Inc. to provide Software License, Maintenance and Support for Speech (Voice) Recognition System in the estimated amount of \$133,878 for the term May 19, 2014 through May 18, 2015.
- v. approve purchase on the basis of low quote for Mark III Systems to provide IBM Security QRadar Appliance, Installation and Support in the amount of \$135,675.
- w. ratify second-year funding for Applied Medical Resources Corporation [PP-OR-844] to provide disposable surgical trocars in the estimated amount of \$216,547 for the term April 1, 2014 through March 31, 2015.
- x. ratify purchase on the basis of best contract for Smith Medical ASD, Inc. [PP-NS-791] to provide Safety IV Catheters in the estimated amount of \$382,268 for the term October 1, 2013 through September 30, 2014.
- y. approve the third of four (4) renewal options for Hill-Rom Company, Inc. to provide rental of therapeutic and bariatric beds, surfaces, various accessories and services in the estimated amount of \$676,858 for the term June 1, 2014 through May 31, 2015.
- z. approve the second of four (4) renewal options for St. Jude Medical, S.C., Inc. to provide Cardiac Rhythm Management (CRM) products and devices in the estimated amount of \$1,426,646 for the term May 1, 2014 through April 30, 2015.
- aa. approve second-year funding for Vital Signs, Inc. [PP-OR-890] to provide disposable anesthesia products in the estimated amount of \$190,791 for the term July 1, 2014 through June 30, 2015.
- bb. approve second-year funding for Ethicon Endo-Surgery, Inc. a Johnson & Johnson Company [PP-OR-810] to provide topical Skin Adhesive in the estimated amount of \$157,536 for the term July 1, 2014 through June 30, 2015.
- cc. approve corrected vendor name for Hollister Incorporated through Cardinal Health 200 LLC. (corrected) to provide patient bowel management systems (Board previously approved Hollister Incorporated).

- dd. approve award on the basis of best proposal to Medtronic USA, Inc. to provide one Otorhinolaryngology Surgery Image-Guided Stereotactic Navigation System in the estimated amount of \$206,402 for a one-year term.
- ee. approve award on the basis of best proposal for Vital Images, Inc. to provide Radiological Imaging Post-Processing Applications System in the amount of \$583,492 for a one-year term.
- ff. approve the second of four (4) renewal options for Zurich North America through John L. Wortham & Son, L.P. to provide All Risks Property Insurance and Boiler and Machinery Coverage in the estimated amount of \$3,016,711 for the term May 1, 2014 through May 1, 2015.
- gg. ratify the third of four (4) renewal options for Midwest Employers Casualty Company through Alamo Insurance Group, Division of Brown & Brown Insurance Services of San Antonio, Inc. to provide Excess Workers' Compensation and Employer's Liability Insurance in the estimated amount of \$283,476 for the term March 31, 2014 through March 31, 2015.
- hh. ratify extension for Sodexo Services of Texas Limited Partnership to provide Turnkey Management and Operation of Food and Nutrition Services for Vending Only for the extended term March 7, 2014 through September 30, 2014 (Board previously approved term March 7, 2013 through March 6, 2014).

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

Mr. TJ Tijerina, Jr., requested clarification on agenda item V.A(2)j. regarding the frequency of the inspections and related costs. The Board requested that agenda item V.A(2)j be resubmitted to the Board for the May 29, 2014 meeting.

- a. transmittal of an exemption from the competitive bid requirements and the first of two (2) renewal options for Baylor College of Medicine to provide physician services at employee health clinics in the estimated amount of \$67,993 for the term May 15, 2014 through May 14, 2015.
- b. transmittal of purchase on the basis of only quote for Solid Border, Inc. [DIR-SDD-1855] to provide Rapid7 Vulnerability Management Software in the estimated amount of \$56,496.
- c. transmittal of termination of Agreement effective May 24, 2014 for Dynasplint Systems, Inc. to provide certain durable medical equipment, orthotic items and associated services in the amount of \$24,720 (remaining balance) for the term September 1, 2013 through August 31, 2014.
- d. transmittal of purchase on the basis of only quote for Mythics, Inc. [GS-35F-0153M] to provide Oracle Database Enterprise Licenses and Support in the estimated amount of \$54,647.
- e. transmittal of purchase on the basis of low quote for Dell Marketing, LP [DIR-SDD-1951] to provide Symantec Vault E-Discovery Software Maintenance in the estimated amount of \$93,245 for the term March 4, 2014 through March 3, 2015.

- f. transmittal of purchase on the basis of sole source for Sunquest Information Systems, Inc. to provide consulting services to implement the Sunquest Blood Bank Software Module in the estimated amount of \$66,000.
- g. transmittal of purchase on the basis of best offer for Amcom Software [GS-35F-0753N] to provide Amcom Messenger Software, Implementation and Maintenance in the estimated amount of \$99,940.
- h. transmittal of the third of four (4) renewal options for Sterling Readiness Rounds LLC to provide Tracer Template Program Related to Det Norske Veritas (DNV) Standards in the estimated amount of \$94,410 for the term March 24, 2014 through March 23, 2015.
- i. transmittal of purchase on the basis of low quote per category for Vanguard Environments (I, IV - \$3,165), Contract Resource Group (III, V - \$10,110) and the OFIS (II - \$66,026) to provide office furniture for the Ambulatory Care Services administration office in the total multi-vendor amount of \$79,301.
- j. transmittal of award on the basis of lowest complete quote for SimplexGrinnell to provide inspections and related services for Fire Protection Systems and Equipment in the amount of \$66,525.
- k. transmittal of utilization for FleetCor Technologies Operating Company, LLC dba Fuelman to provide a Fleet Fuel Monitoring and Dispensing System in the estimated amount of \$80,000 for the term March 1, 2014 through May 31, 2014.
- l. transmittal of an exemption from the competitive bid requirements and the first of two (2) renewal options for Baylor College of Medicine to provide a Medical Director for Riverside Dialysis Center in the estimated amount of \$60,000 for the term June 1, 2014 through May 31, 2015.
- m. transmittal of a third-year funding for Steris Corporation [PP-OR-817] (\$9,073), Johnson & Johnson Health Care System, Inc. [PP-OR-815] (\$30,195), and Medivators Inc. [PP-OR-816] (\$34,635) to provide Automated Endoscopic Reprocessor (Consumables) in the estimated total multi-vendor amount of \$73,903 for the term March 1, 2014 through February 28, 2015.
- n. transmittal of an award on the basis of best contracts Hollister Incorporated [PP-NS-802 – Option 2] (Items 25-37 \$18,424) and CovaTec Inc. [PP-NS-801 – Option 2] (Items 1-24 \$36,770) to provide Enterostomal Therapy Products in the estimated total multi-vendor amount of \$55,194 for the term April 1, 2014 through December 31, 2015.
- o. transmittal of second-year funding for Covidien Sales LLC [PP-OR-914] to provide Endotracheal tubes and related products in the estimated amount of \$67,156 for the term July 1, 2014 through June 30, 2015.
- p. transmittal of third-year funding for Covidien Sales LLC [PP-NS-680] to provide ECG electrodes, cables, lead wires and defibrillator pads in the estimated amount of \$77,448 for the term May 1, 2014 through September 30, 2014.

- q. transmittal of third-year funding for 3M Company [PP-OR-849] (\$28,131) and CareFusion 2200, Inc. [PP-OR-850] (\$30,000) to provide surgical hand preps in the estimated total multi-vendor amount of \$58,131 for the term July 1, 2014 through June 30, 2014.
- r. transmittal of second-year funding for Stryker Endoscopy [PP-OR-1006] to provide Laparoscopic Suction Irrigation Products in the estimated amount of \$96,047 for the term May 1, 2014 through April 30, 2015.

Motion 14.04-45

Moved by Mr. E. Dale Wortham, seconded by Ms. Daisy Stiner, and unanimously passed, that the Board approve agenda items V.B – V.D.

Ms. Amanda Callaway, Associate Administrator, Mission Advancement, requested that the Board minutes be corrected regarding agenda items V.B. and V.C. Ms. Callaway explained that the Monroe Clinic located at 8527 Gulf Freeway, Houston, Texas 77012 will be named the Harris Health Monroe Clinic, and that the Robindell Clinic located at 5420 Dashwood, Houston, Texas 77081 will be named the Harris Health Robindell Clinic.

- B. Approval to Name the Same Day Clinic located at 8527 Gulf Freeway, Houston, Texas 77012 – Harris Health Monroe Clinic
- C. Approval to Name the Same Day Clinic located at 5420 Dashwood, Houston, Texas 77081 – Harris Health Robindell Clinic
- D. Approval to Name the Same Day Clinic located on the Ben Taub Hospital Campus at 1504 Taub Loop, Houston, Texas 77030 – Ben Taub Clinic

Motion 14.04-46

Moved by Ms. Carolyn Truesdell, seconded by Dr. George Santos, and unanimously passed, that the Board approve agenda items V.E – V.S.

- E. Approval for Harris Health System to Authorize the Harris County Purchasing Department to Seek a Construction Manager at-Risk (CMAR) for the Ben Taub General Hospital Emergency Center Renovation Project
- F. Approval of a Phase II Termed Vested Benefit Project and 1st Amendment to the District Sponsored Pension Plan effective April 24, 2014
- G. Approval to Grant Authorization for the President and CEO of Harris County Hospital District d/b/a Harris Health System to Execute Premier Healthcare Alliance, L.P. Affiliation Applications to Add New Harris Health System Facility Sites as Premier Affiliate Locations
- H. Approval to Enter into an Interlocal Agreement with CanCare for the Purpose of Providing Support for Cancer Patients Receiving Care at Harris Health
- I. Approval to Ratify Year Two of a Continuing, Non-competitive Cooperative Agreement from the Center for Medicare & Medicaid Services for the Strong Start for Mothers and Newborns Program

- J. Approval to Renew an Agreement between the Harris County Hospital District d/b/a Harris Health System and Baylor College of Medicine for the Management of Strong Start Program Activities at Baylor Teen Health Clinic
- K. Approval to Renew an Agreement between the Harris County Hospital District d/b/a Harris Health System and Community of the Streets Outreach (Lord of the Streets Episcopal Church) to Provide On-Site Health Care and Eligibility Services to Eligible Homeless Individuals of the Health Care for the Homeless Program
- L. Approval of an Agreement between Harris County Hospital District d/b/a Harris Health System and Texas Association of Community Health Centers for Annual Membership Dues in the amount of \$12,000.00 for the Health Care for the Homeless Program
- M. Approval to Revise Harris Health System Policy No. 3.31, Preventing Fraud, Abuse, and Wrongdoing
- N. Approval to Revise Harris Health System Policy No. 3.32, Compliance as an Element In Performance Reviews
- O. Approval to Revise Harris Health System Policy No. 3.34, Corporate Compliance Department Coordination with Human Resources
- P. Approval to Revise Harris Health System Policy No. 3.35, Screening for Ineligible Persons
- Q. Approval to Revise Harris Health System Policy No. 3.36, Compliance Hotline
- R. Approval to Revise Harris Health System Policy No. 3.37, Office of Corporate Compliance and Legal Counsel Protocol and Procedures with no changes
- S. Approval to Revise Harris Health System Policy No. 3.58, Non-Retaliation for Reporting Fraud, Abuse, or Wrongdoing with no changes

VI. Reports of the Committee

A. Joint Conference Committee

Motion 14.04-47

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

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

Dr. Tien Ko, Chair, Harris Health System Medical Executive Board, presented the Medical Executive Board Report. Dr. Ko highlighted that as a result of the delay in the bed conversion project at Ben Taub General Hospital (BTGH), consideration is now being given to opening 16 beds in the Neuropsych Unit at BTGH. Dr. Ko also reported that the Epic Willow Ambulatory Pharmacy conversion began on March 1, 2014 and that 17,000 prescriptions were converted.

Motion 14.04-48

Moved by Ms. Daisy Stiner, seconded by Mr. TJ Tijerina, Jr., 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 (April 2014).
3. Approval Regarding the Credentialing Changes for Members of the Harris Health System Medical Staff (Pending Items, April 2014).

Motion 14.04-49

Moved by Mr. Elvin Franklin, Jr., seconded by Ms. Daisy Stiner, and unanimously passed, that the Board approve agenda item VI.A.4.

4. Approval of a Recommendation Regarding Nuclear Medicine Clinical Privileges form for Harris Health System

B. Performance Improvement & Patient Safety Committee

1. Review and Discussion Regarding the Harris Health System Performance Improvement and Patient Safety Reports

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

Dr. Fred Sutton, Executive Vice President and Chief Medical Officer, presented the Quality Improvement and Patient Safety Reports. A copy of the report is available in the permanent record.

- b. Review and Discussion Regarding the Patient Satisfaction Trend Charts

Dr. Fred Sutton presented the Patient Satisfaction Trend Charts. A copy of the report is available in the permanent record.

- c. Review and Discussion Regarding the Medical Staff Satisfaction Progress Report

Dr. Sutton presented the Medical Staff Satisfaction Progress Report. He stated that quarterly meetings are scheduled at the clinics and pavilions to continue the discussions with frontline physicians and medical staff to address their concerns regarding the practice of patient care. A copy of the report is available in the permanent record.

- d. Review and Discussion Regarding the Quentin Mease Inpatient Falls Report

Dr. Fred Sutton presented the Quentin Mease Inpatient Falls Report. Ms. Carolyn Truesdell requested clarification on the corrective action plan to prevent patient falls. Dr. Sutton stated that additional equipment including seat belts for wheelchairs had been purchased and that hands-on training for new patient care assistants had been improved and revised. Dr. Sutton also reported that other corrective actions currently implemented include the installation of alarms and hands-on demonstrations with patients on the proper use of the call light system to request assistance. Dr. Sutton also noted that the matter of inpatient falls at Quentin Mease is addressed in the Quality Review Committee and Patient Safety Committee meetings. A copy of the report is available in the permanent record.

- e. Review and Discussion Regarding the Emergency Center Medical Screening Exam Progress Goals

Dr. Sutton presented the Emergency Center Medical Screening Exam

Progress Goals. A copy of the report is available in the permanent record.

- f. Review and Discussion Regarding the Ambulatory Care Services (ACS) Access to Care Report

Dr. Ericka Brown, Senior Vice President and Administrator, Ambulatory Care Services, presented the Ambulatory Care Services (ACS) Access to Care Report. 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 at Ben Taub General Hospital

Dr. Sutton presented the Infection Prevention Report regarding Ben Taub General Hospital. A copy of the report is available in the permanent record.

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

Dr. Sutton presented the Infection Prevention Report regarding Lyndon B. Johnson General Hospital. A copy of the report is available in the permanent record.

- c. Review and Discussion Regarding Infection Prevention: Surgical Site Infections Performance Improvement Plan

Dr. Sutton presented the Infection Prevention: Surgical Site Infections Performance Improvement Plan. He stated that pre-operative, intra-operative, and post-operative surgery site infections continue to decline. 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 Rapid Response Team now reviews the restraint order to ensure a timely face-to-face assessment has been conducted and that the restraint process meets Federal and State regulatory compliance metrics. Dr. George Santos noted that Det Norske Veritas (DNV) assessed the Harris Health System Restraint and Seclusion Policy and determined that the policy is adequate; however, the DNV recommended that the execution of the restraint and seclusion policy be improved.

C. Budget & Finance Committee

Motion 14.04-50

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

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

Increase projected is a little below projection regarding volume. Refer to recording.

Mr. Michael Norby, Executive Vice President and Chief Financial Officer, presented the March 2014 Financial Report. He stated that the volume for adjusted patient days was 53,715 which was 1.4% less than budget. Mr. Norby also stated that the volume for primary clinic visits was 68,853 which was 0.1% less than budget. Mr. Norby stated that the patient volume for specialty clinics was 30,080 which was 10.2% greater than budget. Mr. Norby highlighted that the total net revenue for March 2014 was \$100.2M which was 2.8% less than budget, and that total expenses were \$109.7M which was 1.3% greater than budget, resulting in an operating loss for the first month of the 2014 fiscal year of approximately \$9.6M.

Mr. Norby stated that revenue from the State for Disproportionate Share Hospital (DSH) and Uncompensated Care (UC) is currently accruing and, to date, had not been distributed. He stated that while the UC revenue FY2013 was scheduled for distribution in May 2014, the State recently notified Harris Health System that the UC distribution had been deferred and distribution is now scheduled for the month of June 2014. Mr. Norby stated that at the end of May 2014, the Harris Health System is scheduled to distribute an Intergovernmental Transfer (IGT) to the State in the amount of \$200M. Significant discussion ensued. Given the State's recent notification regarding the deferred UC payment and other irregular revenue or distributions from the State, the Board requested a status report on DSH, UC and Harris Health System's IGT.

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

Mr. Norby presented the March 2014 Pension Plan Report. A copy of the report is available in the permanent record.

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

Mr. Norby presented the March 2014 Investment Report. A copy of the report is available in the permanent record.

4. Presentation of the March 2014 Financial Statements of Community Health Choice, Inc.

Mr. Kenneth Janda, President and Chief Executive Officer, Community Health Choice, Inc., presented the March 2014 Financial Statements for Community Health Choice, Inc. (CHC, Inc.). Mr. Janda reported that the net income for March 2014 was \$1.8M and that the net loss year-to-date was \$486,022. A copy of the report is available in the permanent record.

Motion 14.04-51

Moved by Mr. E. Dale Wortham, seconded by Ms. Carolyn Truesdell, and unanimously passed, that the Board accept agenda item VI.C.5.

5. Approval to Ratify additional DSRIP funds for Moritz V. Craven, D.D.S., M.P.H., and Matthew W. Plummer, Jr., D.M.D., M.P.H., to provide Dental

Services for Pediatric Patients in the additional amount of \$236,751 for the term April 1, 2014 through September 30, 2014 (Board previously approved DSRIP funds in the amount of \$269,920 for the term October 1, 2013 through September 30, 2014).

Mr. DeWight Dopslauf, Purchasing Agent, Harris County Purchasing, presented the agenda item regarding the ratification of additional Delivery System Reform Incentive Payment (DSRIP) funds for pediatric patients. Mr. Dopslauf stated that the additional funds are for the expansion of pediatric patient services that will be provided at the El Franco Lee Health Center.

D. Planning & Operations Committee

Other Items

Motion 14.04-52

Moved by Dr. George Santos, seconded by Ms. Daisy Stiner, and unanimously passed, that the Board accept agenda item VI.D.1.

1. Approval to Accept the Additional Award of \$133,953 to Harris Health System from the Department of State Health Services for Breast and Cervical Cancer Services (BCCS) for FY2013–2014

E. Legislative Committee

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, presented the Activities in Austin Related to the Legislative/Regulatory Issues Impacting Harris Health System, the 84th Legislative Session, and the Harris Health System Legislative Platform. Mr. Hillier reported the Teaching Hospitals of Texas is working vigorously on the 340b drug pricing initiative. He also stated that five Senate Democrats on the Special Committee on Aging sent a letter to the Office of Management and Budget (OMB) and the Health Resources and Service Administration (HRSA) urging the agencies to uphold the 340b program's initial intent to effectively manage federal resources to provide comprehensive services and include more eligible patients. Mr. Hillier also stated that the letter advised OMB and HRSA to ensure any proposed rule or guidance regarding patient definition does not limit by the types of drugs available through the 340b drug pricing initiative.

Mr. Hillier noted that the Teaching Hospitals of Texas (THOT) is hosting a conference on the 1115 Waiver on Friday, June 13, 2014 in Austin, TX. He also mentioned that the State will convene its Waiver Summit in September 2014. Mr. Hillier reported that the DSH, UC, Hospital Payment Advisory Committee (HPAC), and Medical Care Advisory Committee (MCAC) will continue negotiations to resolve issues related to the September disbursement. Mr. Hillier noted that if disbursement is not issued in September, the UC payments will be disbursed in November 2014.

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

Mr. Hillier reported that the Harris Health delegation attending the America's Essential Hospitals *Policy Assembly: Take Action* met with several congressional members' offices during April 1st and 2nd, 2014, Washington, D.C. He noted that the Harris Health System delegation included: Ms. Anne Clutterbuck, Dr. Ericka Brown, Ms. Mary Schneider, Mr. David Lopez, and himself. The Harris Health System delegation discussed various issues related to health care including the 340b pricing program, Disproportionate Share Hospital funding, hospital readmission, 1115 Waiver renewal, as well as matters related to the Affordable Care Act (ACA). Mr. Hillier stated that the next Essential Hospital policy advocacy meeting is scheduled for December 8th and 9th, 2014, Washington, DC.

Mr. Hillier stated that the budget proposed by Representative Paul Ryan passed the US House on April 10, 2014 which includes \$5.1 trillion in cuts which will block Medicaid and reduce Medicaid spending by \$1 trillion over the next ten (10) years. Mr. Hillier noted that the Senate is not submitting a budget this year since the budget agreement signed last December is effective for two (2) years.

VII. President/Chief Executive Officer's Reports

A. Volunteer Appreciation Luncheon held on April 14, 2014

Mr. David Lopez, President and Chief Executive Officer, reported that the Volunteer Appreciation Luncheon was very nice and well attended. He stated that it is evident that many of the Harris Health System volunteers are truly committed to the mission. Ms. Truesdell also attended the Harris Health System Volunteer luncheon and she commented that many of the 700 volunteers were once Harris Health System patients. Mr. Lopez thanked the Board members for their volunteer efforts and commitment to the mission of Harris Health System.

B. Nomination for Healthiest Employers List for 2014: Houston Business Journal Health initiative for Employee Wellness Program.

Mr. Lopez reported that Harris Health System was nominated again for making the Healthiest Employers List for 2014. Mr. Lopez stated that he is encouraged that the practice and concept of wellness also extends to Harris Health System health centers and clinics. Mr. Elvin Franklin, Jr. suggested that Harris Health System partner with the YMCA to extend wellness to Harris Health System patients. Mr. Franklin commended the administration on their initiative to ensure Harris Health System employees are encouraged to participate in the wellness program.

C. Trauma Survivors Celebration

Mr. David Lopez extended an invitation to Board members to attend the upcoming Trauma Survivors Celebration to be held April 30, 2014. He noted that the celebration is one of the few opportunities trauma survivors have to reconnect with the Harris Health System medical staff, and for some, with their families.

VIII. Executive Session

At 10:21 a.m., Mr. Elvin Franklin, Jr. stated that the Board would go into Executive Session under §161.032 of the Texas Health & Safety Code, and Texas Occupations

Code Ann. §160.007, and the Texas Gov.t Code Ann. §551.071.

IX. Reconvene

At 10:44 a.m., Mr. Elvin Franklin, Jr. 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. 4:13-CV-02260; *Schrhonda Randle 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 Upon Return to Open Session.

Motion 14.04-53

Moved by Ms. Carolyn Truesdell, 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 a settlement of Civil Action No. 4:13-CV-02260; *Schrhonda Randle v. Harris County Hospital District*; In the U.S. District Court for the Southern District of Texas, Houston Division in the amount of \$19,500.00 payable to Schrhonda Randle and her attorney Josef F. Buenker. David S. Lopez, President/CEO, is authorized to execute any agreement, release or other necessary documents to effect this settlement.

- D. Consultation with the County Attorney Regarding an automobile claim filed by John Kash David, pursuant to Texas Gov't Code Ann. §551.071 and Possible Action Regarding this Matter Upon Return to Open Session.

Motion 14.04-54

Moved by Ms. Carolyn Truesdell, seconded by Mr. E. Dale Wortham, 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 payment in connection with the automobile claim filed by John Kash David and payable to John Kash David in the amount of \$3,539.91 plus car rental, as the law allows, at an appropriate rate. David S. Lopez, President/CEO of Harris Health, is authorized to execute any agreement, release or any other necessary documents to effect this

settlement.

- E. Consultation with the County Attorney Regarding Filing a Lawsuit against Horizon Coach Lines, Horizon Motor Company and IAT Specialty, regarding a workers' compensation subrogation matter, pursuant to Texas Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session.

Motion 14.04-55

Moved by Ms. Carolyn Truesdell, seconded by Mr. E. Dale Wortham, 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 the filing of a lawsuit against Horizon Coach Lines, Horizon Motor Company and IAT Specialty regarding a workers' compensation subrogation matter.

- F. Consultation with the County Attorney Regarding Payment of Overtime Wages Due to Social Workers, pursuant to Texas Gov't Code Ann. §551.071 and Possible Action Regarding this Matter Upon Return to Open Session.

Motion 14.04-56

Moved by Ms. Carolyn Truesdell, seconded by Mr. E. Dale Wortham, 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 payment in an amount not to exceed \$111,254.34 for overtime wages due to social workers and further authorizes David S. Lopez, President/CEO, or his designee, to execute any documents necessary to effect these settlements.

X. Adjournment

Moved by Mr. E. Dale Wortham, seconded by Mr. TJ Tijerina, Jr., and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at 10:46 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 April 24, 2014.

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

Dr. George Santos, Secretary
Board of Managers