

# HARRISHEALTH SYSTEM

## HARRIS HEALTH SYSTEM

### MINUTES OF THE BOARD OF MANAGERS MEETING

Thursday, September 25, 2014

Board Room – Administration Building

#### Members Present:

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

#### Members Absent:

Mr. Lawrence Finder

#### Others Present:

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

#### I. Call to Order and Record of Attendance

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

## **II. Approval of the Minutes of Previous Meeting**

### **Motion 14.09-106**

Moved by Dr. George Santos, seconded by Mr. TJ Tijerina, Jr., and unanimously passed that the Board approve the minutes of the August 28, 2014 Board of Managers meeting.

## **III. Announcements / Special Presentations**

- A. Special Recognition – Dr. Maureen Padilla, Chief Nursing Executive, Ben Taub General Hospital (BTGH), recognized BTGH's clinical and administrative staff for their receipt of the Gold Plus Quality Award from the American Stroke Association and the American Heart Association. Dr. Padilla presented the award to Dr. Joseph Kass, Chief of Neurology, Medical Director of Stroke Service, BTGH, and his staff for meeting multiple benchmarks in their treatment of stroke patients and for recognizing stroke symptoms, providing diagnostic treatment, and administering medications within sixty (60) minutes or less of when a patient has suffered a stroke.
- B. Special Recognition – Dr. Padilla recognized BTGH's clinical and administrative staff for their receipt of the Comprehensive Stroke Center Certification from Det Norske Veritas Healthcare, Inc. for providing an exemplary level of care in treating complex stroke patients. BTGH is now one of two stroke centers that possess this designation within the city of Houston.

Mr. Franklin thanked Dr. Kass and his team on behalf of the Board of Managers for the outstanding work that they have performed.

## **IV. Hear from Citizens**

Ms. Cynthia Cole, Executive Director of Local No. 1550 - American Federation of State, County and Municipal Employees, AFSCME, spoke on behalf of Harris Health System employees who are members of Local No. 1550. Ms. Cole requested that the administration and the Board examine issues regarding allegations of intimidation and favoritism among Harris Health employees. She also submitted a letter to the Board which outlined concerns of Local No. 1550 members and she stated that she would follow up with the administration in October 2014 to determine what actions have been taken to address the employees' concerns.

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

Purchasing item A(1)d was **PULLED** from the consent agenda and will be presented for full Board consideration as Agenda Item VI.D.1.

Purchasing item A(1)a was **REVISED** to reflect the correct amount of \$476,000 and not the previously stated amount of \$465,750.

### **Motion 14.09-107**

Moved by Dr. George Santos, seconded by Ms. Daisy Stiner, and unanimously passed that the Board approve agenda items V.A(1)a through V.A(1)c and V.A(1)e through V.A(1)t.

## Items Related to Purchasing

- A(1). Consideration of Purchasing Recommendations Requiring Board Approval
- a. approve the third of four (4) renewal options for KPMG, LLP to provide external audit services in the estimated amount of \$476,000 for the term December 6, 2014 through December 5, 2015.
  - b. approve an emergency purchase for KCI USA, Inc. to provide negative pressure wound therapy (NPWT) dressing supplies and vacuum pump equipment in the estimated amount of \$468,818 for a one-year term.
  - c. approve the first of four (4) renewal options for WCA Waste Corporation of Texas to provide refuse removal services in the estimated amount of \$339,779 for the term November 1, 2014 through October 31, 2015.
  - d. **PULLED**
  - e. approve additional budgeted funds for Wilson Architectural Group, Inc. and ESPA Corp. to provide architectural and engineering services for the construction project at Lyndon B. Johnson Hospital Specialty Clinic in the estimated additional budgeted multi-vendor amount of \$275,000 (Board previously approved funds in the amount of \$4,019,661).
  - f. approve the second of four (4) renewal options for HTS Texas to provide annual inspections and maintenance repair of chillers and related items in the estimated amount of \$166,679 for the term November 1, 2014 through October 31, 2015.
  - g. approve purchase on the basis of best contract for SurgiCount Medical, Inc. [PP-OR-1106] to provide a surgical sponge detection system in the estimated amount of \$166,716 for the term October 1, 2014 through September 30, 2015.
  - h. approve purchase on the basis of sole source for Baby-Friendly USA, Inc. to provide an assessment of Ben Taub General Hospital's compliance with the Ten Steps to Successful Breastfeeding and the Baby-Friendly Hospital Initiative Guidelines and Criteria in the amount of \$4,000.
  - i. approve purchase on the basis of sole source for Access Closure, Inc. to provide Mynx Cadence™ vascular closure devices in the estimated amount of \$300,775 upon execution of the Agreement through December 31, 2015.
  - j. approve purchase on the basis of sole source for St. Jude Medical to provide Angio-Seal vascular closure devices in the estimated amount of \$128,250 for the term September 25, 2014 through September 24, 2015.
  - k. ratify second-year funding for Kimberly Clark Corporation [PP-DI-725] (\$29,110) and Covidien Sales, LLC [PP-DI-728] (\$84,215), all through Cardinal Health, to provide enteral feeding pumps, sets, tubes and devices in the estimated multi-vendor amount of \$113,325 for the term September 1, 2014 through August 31, 2015.
  - l. approve second-year funding for Sage Products, Inc. [PP-NS-777], through Cardinal Health, to provide oral care products in the estimated amount of \$206,409 for the term October 1, 2014 through September 30, 2015.

- m. ratify second and final renewal option for Advanced Pharma to provide sterile admixing pharmaceutical products in the estimated amount of \$324,966 for the term September 1, 2014 through August 31, 2015.
  - n. approve renewal on the basis of sole source for McKesson Automation, Inc. to provide hardware and software maintenance for the MedCarousel Automated Medication Dispensing System in the estimated amount of \$102,897 for the term October 1, 2014 through September 30, 2015.
  - o. approve renewal on the basis of sole source for Sunquest Information Systems, Inc. to provide maintenance and support for the Sunquest Laboratory and Pathology Software in the estimated amount of \$549,103 for the term October 1, 2014 through September 30, 2015.
  - p. approve renewal on the basis of sole source for 3M Health Information Systems, Inc. to provide maintenance and support for 3M coding and reimbursement applications in the estimated amount of \$397,561 for the term October 28, 2014 through October 27, 2015.
  - q. ratify purchase on the basis of low quote for CIMA Solutions Group, LTD. [DIR-SDD-2107] to provide maintenance for IBM Tivoli Storage Manager in the amount of \$117,269 for the term August 1, 2014 through July 31, 2015.
  - r. approve purchase on the basis of low quote for Network Cabling Services, Inc. [DIR-SDD-1900] to provide re-cabling of wireless access point devices in the estimated amount of \$143,854.
  - s. approve purchase on the basis of only quote for General Datatech, L.P. [DIR-TSO-2543] to provide Cisco equipment and services for technology refresh of wireless access point devices in the estimated amount of \$880,275.
  - t. approve purchase on the basis of only quote for Planet Technologies Incorporated [DIR-SDD-1945] to provide Microsoft SharePoint development services in the estimated amount of \$500,000 for a one-year initial term with four (4) one-year renewal options.
- A (2). Transmittals of Completed Items **[For Informational Purposes]**
- a. transmittal of award on the basis of lowest priced proposal to Fresenius USA Marketing, Inc. to provide two (2) portable hemodialysis reverse osmosis water systems in the estimated amount of \$99,000.
  - b. transmittal of purchase on the basis of best contract to Stryker Instruments [PP-OR-1018] to provide seven (7) new large bone drills in the estimated amount of \$62,349.
  - c. transmittal of purchase on the basis of sole source to Advanced Sterilization Products Services, Inc. (ASP) to provide maintenance and service for ASP STERRAD® Sterilizers in the estimated amount of \$86,320 for a one-year initial term with two (2) one-year renewal options.
  - d. transmittal of fourth and final renewal option for ChemTreat, Inc. to provide water treatment chemicals and services in the estimated amount of \$90,372 for the term October 19, 2014 through October 18, 2015.

- e. transmittal of award on the basis of best contracts for Covidien Sales, LLC [PP-NS-812] Option 2 (\$2,845 – Items 11-16) and Becton Dickinson and Company [PP-NS-813] Option 2 (\$88,493 – Items 1-10) to provide sharps disposal containers, canisters and related accessories in the estimated multi-vendor amount of \$91,338.
- f. transmittal of purchase on the basis of low quote to CDW Government, LLC [GS-35F-0143R] to provide 2,000 additional Symantec Anti-Virus Software licenses in the amount of \$58,380.
- g. transmittal of purchase on the basis of low quote to CDW Government, LLC [PP-IT-065] to provide PC equipment for six (6) DSRIP clinics in the amount of \$75,554.
- h. transmittal of additional budgeted funds for First DataBank, Inc. to provide FDB MedKnowledge™ license and maintenance in the additional budgeted amount of \$28,742 for the term December 15, 2013 through December 14, 2014 (Board previously approved funds in the amount of \$170,857 for the term December 15, 2013 through December 14, 2014).
- i. transmittal of additional budgeted funds and an extension for Nestle HealthCare Nutrition, Inc. to provide infant and adult nutritional/disease specific formulas in the additional budgeted amount of \$66,017 for the extended term August 1, 2014 through October 31, 2014 (Board previously approved funds in the amount of \$262,357 for the term August 1, 2013 through July 31, 2014).

*{End of Consent Agenda}*

**Motion 14.09-108**

Moved by Ms. Carolyn Truesdell, seconded by Ms. Daisy Stiner, and unanimously passed that the Board approve agenda items V.B. through V.MM.

- B. Approval of an Agreement between Harris County Hospital District d/b/a Harris Health System and Affiliated Medical Services for the Purpose of Providing Medical Services Related to the 1115 Medicaid Waiver DSRIP Projects in the Funding Amount of \$26,472,799.10 for DSRIP Year 4 from October 2014 through September 2015.
- C. Approval of a Payment to the Texas Hospital Association for 2014 – 2015 Membership Dues in the Amount of \$137,000.00.
- D. Approval to Enter into a 2<sup>nd</sup> Lease Year with India House Houston for the Leasing of Approximately 7,477 Square Feet of Space Located at 8888 West Bellfort, Houston, Texas 77031 for an Ambulatory Care Clinic.
- E. Approval to Enter into a 2<sup>nd</sup> Lease Year with Monroe Casco, Ltd., a Texas Limited Partnership, for the Leasing of Approximately 10,000 Square Feet of Space Located at 8539 Gulf Freeway, Houston, Texas 77017 for an Ambulatory Care Clinic.
- F. Approval to Enter into the 2<sup>nd</sup> Option of the Lease Agreement with Kynto Ventures, LLC for 50 Parking Spaces Located at 6601 Tarneff Drive, Houston, Texas 77054 for the Vallbona Health Center.

- G. Approval to Enter into the 2<sup>nd</sup> Term of the Lease Agreement with Sepsa Precast Solutions for Space Located at 5503 N. Fry Road, Katy, Texas 77449 for an Ambulatory Care Clinic.
- H. Approval to Enter into a 2<sup>nd</sup> Lease Term with Spring Branch Plaza, LLC for Approximately 8,210 Square Feet of Space Located at 9801 Long Point, Houston, Texas 77055 for an Ambulatory Care Clinic.
- I. Approval to Enter into the 7<sup>th</sup> Term of the Lease Agreement with Warehouse Associates Corporate Centre Kirby III, Ltd for the Leasing of Approximately 117,774 Square Feet of Space Located at 9240 and 9250 Kirby Drive, Houston, Texas 77054 for Offices, Training Rooms, Classrooms and Warehouse Space.
- J. Approval for Harris County Hospital District d/b/a Harris Health System to Authorize the Harris County Purchasing Department to Issue a Request for Proposals for a Construction Manager at-Risk (CMAR) for Ben Taub General Hospital Kitchen and Serving Line.
- K. Approval for Harris County Hospital District d/b/a Harris Health System to Authorize the Harris County Purchasing Department to Issue a Request for Proposals for a Construction Manager at-Risk (CMAR) for the 3<sup>rd</sup> Floor Pathology Department Renovation for Lyndon B. Johnson General Hospital.
- L. Approval of an Affiliation Agreement between Harris County Hospital District d/b/a Harris Health System and San Jacinto Community College Central (Associate Degree in Nursing).
- M. Approval to Continue an Agreement between the Harris County Hospital District d/b/a Harris Health System and Compass to Provide On-Site Eligibility Registration Services to Eligible Homeless Individuals of the Health Care for the Homeless Program.
- N. Approval of an Agreement between the Harris County Hospital District d/b/a Harris Health System and the Coalition for the Homeless for the Purpose of Participating in the Homeless Management Information System to Provide Coordinated Service Delivery.
- O. Approval to Continue an Agreement between Harris County Hospital District d/b/a Harris Health System and The Salvation Army Rehabilitation Center to Provide On-Site Health Care and Eligibility Services to Eligible Homeless Individuals of the Health Care for the Homeless Program.
- P. Approval to Continue an Agreement between Harris County Hospital District d/b/a Harris Health System and Star of Hope Mission Men's Shelter to Provide On-Site Health Care and Eligibility Services to Eligible Homeless Individuals of the Health Care for the Homeless Program.
- Q. Approval to Continue an Agreement between Harris County Hospital District d/b/a Harris Health System and Star of Hope Mission Transitional Living Center to Provide On-Site Health Care and Eligibility Services to Eligible Homeless Individuals of the Health Care for the Homeless Program.
- R. Approval to Continue an Agreement between Harris County Hospital District d/b/a Harris Health System and Star of Hope Mission Women & Families Emergency

- Shelter to Provide On-Site Health Care and Eligibility Services to Eligible Homeless Individuals of the Health Care for the Homeless Program.
- S. Approval to Continue an Agreement between Harris County Hospital District d/b/a Harris Health System and Harmony House, Inc. to Provide On-Site Health Care and Eligibility Services to Eligible Homeless Individuals of the Health Care for the Homeless Program.
  - T. Approval to Continue an Agreement between Harris County Hospital District d/b/a Harris Health System and Jackson Hinds Garden to Provide On-Site Health Care and Eligibility Services to Eligible Homeless Individuals of the Health Care for the Homeless Program.
  - U. Approval to Continue an Agreement between Harris County Hospital District d/b/a Harris Health System and Lord of the Streets to Provide On-Site Health Care and Eligibility Services to Eligible Homeless Individuals of the Health Care for the Homeless Program.
  - V. Approval to Continue an Agreement between Harris County Hospital District d/b/a Harris Health System and the Service of the Emergency Aid Resource Center for the Homeless (S.E.A.R.C.H.) to Provide On-Site Eligibility Registration Services to Eligible Homeless Individuals of the Health Care for the Homeless Program.
  - W. Approval to Continue an Agreement between Harris County Hospital District d/b/a Harris Health System and Crossroads at Park Place to Provide On-Site Eligibility Services to Eligible Homeless Individuals of the Health Care for the Homeless Program.
  - X. Approval to Continue an Agreement between Harris County Hospital District d/b/a Harris Health System and Open Door Mission to Provide On-Site Eligibility Services to Eligible Homeless Individuals of the Health Care for the Homeless Program.
  - Y. Approval to Ratify Renewal of a Grant Award of \$250,000 from the United States Department of Health and Human Services Administration to Harris County Hospital District d/b/a Harris Health System Funded Under the Ryan White HIV/AIDS Treatment Extension Act of 2009 Part D to Provide Outpatient Family Centered Care for Women, Infants, Children and Youth with HIV/AIDS.
  - Z. Approval to Ratify Renewal of a Grant Award of \$300,000 from the United States Department of Health and Human Services Administration to Harris County Hospital District d/b/a Harris Health System Funded Under Part F: Special Projects of National Significance of the Ryan White HIV/AIDS Treatment Extension Act of 2009 for the Purpose of Building a Medical Home for Multiple Diagnosed HIV-Positive Homeless Populations of Harris County.
  - AA. Approval to Ratify Renewal of a Grant Award of \$300,000 from the City of Houston on Behalf of the Department of Health and Human Services to Harris County Hospital District d/b/a Harris Health System Funded Under the Texas Department of State Health Services to Provide HIV Testing at Harris Health System Facilities.
  - BB. Approval to Ratify the First Amendment to the Salary Reimbursement Agreement between Harris County Hospital District d/b/a Harris Health System and The University of Texas MD Anderson Cancer Center.

- CC. Approval to Ratify the Fifth Amendment to the Salary Reimbursement Agreement between Harris County Hospital District d/b/a Harris Health System and The University of Texas MD Anderson Cancer Center.
- DD. Approval of a Memorandum of Understanding between Harris County Hospital District d/b/a Harris Health System and Change Happens for the Purpose of Implementing an Adolescent Pregnancy Prevention Intervention for HIV-Positive Adolescent Clients at Thomas Street Health Center.
- EE. Approval to Renew an Agreement for a Grant Award of \$175,000 from the Centers for Disease Control and Prevention (CDC) Awarded to Harris County Hospital District d/b/a Harris Health System and Baylor College of Medicine to Implement and Evaluate a Comprehensive Prevention Intervention for HIV-Positive Patients.
- FF. Approval of a Non-Competitive Grant Award of \$3,610,876 from the Performance Management Unit of the Texas Department of State Health Services (DSHS) to the Harris County Hospital District d/b/a Harris Health System to Provide Expanded Primary Health Care Services to Female Residents of Harris County.
- GG. Approval to Accept the Susan Komen Breast Cancer Foundation – Patient Navigation Services Grant of \$100,498 from the Harris County Hospital District Foundation Awarded to Harris County Hospital District d/b/a Harris Health System.
- HH. Approval to Accept The Blue Cross Blue Shield of Texas Healthy Villages, Healthy Families Grant of \$26,500 from the Harris County Hospital District Foundation Awarded to Harris County Hospital District d/b/a Harris Health System.
- II. Approval to Accept The Nurses Leadership Fund Grant of \$25,816.25 from the Harris County Hospital District Foundation Awarded to Harris County Hospital District d/b/a Harris Health System to Fund Nursing Leadership Speakers and Nursing Educational Scholarships.
- JJ. Approval to Accept the Adolescents in Motion Program Grant of \$14,350.43 from the Harris County Hospital District Foundation Awarded to Harris County Hospital District d/b/a Harris Health System to Fund the Adolescents in Motion Program at Ben Taub General Hospital.
- KK. Approval to Accept the Small Grants Fund Award of \$4,229 from the Harris County Hospital District Foundation Granted to Harris County Hospital District d/b/a Harris Health System for the Quentin Mease Healthy H.E.A.R.T.S. Project.
- LL. Approval to Revise Harris Health Policy No. 3.42 Conflict of Interest.
- MM. Approval of a New Harris Health Policy Gifts.

## **VI. Reports of the Committees**

### **A. Joint Conference Committee**

#### **Motion 14.09-109**

Moved by Ms. Daisy Stiner, seconded by Dr. George Santos, and unanimously



passed that the Board approve agenda item VI.A.1.

1. Consideration of Acceptance of the Medical Board Report for September 2014.

Dr. Tien Ko, Chairman, Medical Executive Board, presented the Medical Board Report for September 2014. Dr. Ko stated that due to the Board of Managers' support and approval of the purchase of the appropriate camera equipment, the diabetic retinal eye exams metric was met. He announced that the medical staff retreat is scheduled for Saturday, November 15, 2014 from 8:00 a.m. to 12:00 p.m. at the Houston Marriott at the Texas Medical Center. Dr. Santos reiterated his concerns regarding the use of sitters in restraint and seclusion cases and cautioned against excluding physicians from the process of ordering sitters. Dr. Fred Sutton, Executive Vice President and Chief Medical Officer, stated that there will be a follow-up presentation on the implementation of the sitter program at the Quality Governance Council (QGC). A copy of the report is available in the permanent record.

#### **Motion 14.09-110**

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

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

Dr. Ko presented the credentialing changes for members of the Harris Health System medical staff. He stated that no pending items exist at this time. Ms. Anne Clutterbuck stated that she attended the September 9, 2014 meeting of the Medical Executive Board. She expressed her gratitude for the changes that have been implemented to ensure that the credentialing changes are completed prior to being presented to the Board of Managers. Ms. Truesdell requested clarification regarding the length of the dental school education listed on the provider profile of Dr. Chandni Mahindra. Dr. Sutton stated that Dr. Mahindra's profile will be reviewed to verify the accuracy of the dental school dates. A copy of the report is available in the permanent record.

#### **B. Performance Improvement & Patient Safety Committee**

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

Dr. Sutton presented the Harris Health System Quality Executive Summary and Scorecard. He reported that the QGC and the Performance Improvement and Patient Safety Committee have had many discussions which focused on the areas of infection, satisfaction and capacity. Dr. Sutton will present action plans regarding these three areas at the next Quality Review Committee, QGC and Medical Executive Board Committee meetings. Ms. Truesdell requested clarification regarding the low patient satisfaction rates. Dr. Ericka Brown, Executive Vice President and Administrator, Ambulatory Care Services, explained that the implementation of Epic Willow, the transfer to the Clinician and Group Consumer Assessment of Healthcare Providers and Systems (CGCAHPS) Survey, and the use of electronic surveys have provided broader

results and, therefore, present a more realistic reflection of opportunities for improvement. Dr. Brown stated that there has been an upward trend in patient satisfaction rates since July 2014 and that she expects Harris Health to meet its goal by the end of the year. Dr. Santos re-emphasized the importance of surveying practicing residents and that they should not be surveyed only upon exiting from Harris Health. Mr. George Masi stated that the 2014 surveys have been revised to include practicing residents. He further stated that a software system will be implemented to capture real-time and actionable infection data. Dr. Sutton stated that the utilization review and performance improvement plans will be presented to the Board in November 2014. A copy of the summary is available in the permanent record.

### **C. Budget & Finance Committee**

#### **Motion 14.09-111**

Moved by Ms. Daisy Stiner, seconded by Ms. Anne Clutterbuck, and unanimously passed that the Board approve agenda items VI.C.1. and V.C.2.

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

Mr. Michael Norby, Executive Vice President and Chief Financial Officer, presented the Harris Health System August 2014 Financial Report Subject to Audit. Mr. Norby stated that he met with JPMorgan Chase & Co. last week to discuss the days' cash on hand metric. He stated that JPMorgan has agreed to waive the covenant for the August 31, 2014 timeframe and that JPMorgan will monitor Harris Health's financials on a quarterly basis to establish a better understanding of Harris Health's cash flow. A copy of the report is available in the permanent record.

2. Acceptance of the Harris Health System August 2014 Investment Report.

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

#### **Motion 14.09-112**

Moved by Dr. George Santos, seconded by Ms. Daisy Stiner, and unanimously passed that the Board approve agenda items VI.C.3. through VI.C.5.

3. Acceptance of the Harris Health System August 2014 Pension Plan Report Subject to Audit.

Mr. Norby presented the Harris Health System August 2014 Pension Plan Report Subject to Audit. He reported that as of August 31, 2014, the pension plan was funded at 78.6% and that the market value of the pension plan was \$585M. A copy of the report is available in the permanent record.

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

Mr. Kenneth Janda, President and Chief Executive Officer, Community Health Choice, Inc. (CHC, Inc.), presented the August 2014 financial statements for CHC, Inc. Mr. Janda highlighted that the risk programs membership totaled

254,000 and that he anticipates continued growth. A copy of the report is available in the permanent record.

5. Presentation Regarding Community Health Choice Statewide Participation and Enrollment in Medicaid Products (STAR, CHIP and CHIP Perinatal) and the Health Insurance Marketplace **[Board Deliverable]**.

Mr. Janda presented the report of Community Health Choice, Inc.'s statewide participation and enrollment in Medicaid products and the Health Insurance Marketplace. He explained the variances in membership by zip code for all Medicaid products and for participation in the Health Insurance Marketplace in the Harris County service delivery area (SDA) and in the Jefferson County SDA. Mr. Janda stated that there is opportunity to increase enrollment in rural counties such as Newton, Jasper and Liberty and that CHC, Inc. intends to place greater focus on networking and outreach activities in those areas. Ms. Stiner inquired whether a state-mandated quota exists for membership in the rural counties. Mr. Janda stated that while no specific quota is required, CHC, Inc. is expected to provide two (2) primary care physicians within thirty (30) miles and at least one (1) hospital within seventy-five (75) miles of all CHC, Inc. members. Ms. Stiner also inquired whether any data exists that demonstrates how many rural residents are aware of CHC, Inc. and its products and how great is the need for CHC, Inc. in these outlying areas. Mr. Janda answered that he does not have access to that data at this time. Ms. Clutterbuck inquired how many Harris County patients are eligible to enroll in the Health Insurance Marketplace. Mr. Norby stated that based on 2013 data, an estimated 48,000 Plan II patients and an additional estimated 6,000 to 7,000 self-pay patients were eligible for enrollment. Mr. Janda mentioned that a new open enrollment period will begin November 15, 2014 and that CHC, Inc. has reduced its rates by 15 % in an attempt to enroll as many potential new patients as possible. Mr. Masi announced that in October 2014, the Board will be presented with innovative strategies to mitigate Harris Health's exposure while addressing patient needs. A copy of the report is available in the permanent record.

#### **D. Planning and Operations Committee**

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

##### **Motion 14.09-113**

Moved by Dr. George Santos, seconded by Ms. Anne Clutterbuck, and unanimously passed that the Board approve agenda item VI.D.1.

1. Approval of Ben Taub General Hospital's Transition to Thermal Energy Corporation (TECO) Steam and Chilled Water Utilities Project, Subject to Funding.

Mr. Mark Sams, Vice President, Facilities Management, led the discussion regarding Ben Taub General Hospital's transition to Thermal Energy Corporation (TECO) Steam and Chilled Water Utilities Project, subject to funding. He stated that although the Board has approved the total amount of the project, which is \$8,981,200, he will make additional presentations to the Board to request payment of the funds in installments as those funds become

available. Mr. Masi stated that the funds will be procured from routine capital on an incremental basis and that they will not be procured from strategic capital. Ms. Truesdell requested clarification of the purpose of the TECO project in relation to a possible addition of BTGH Level 2 Operating Rooms. Mr. Masi stated that this renovation is under consideration as an option that may be required during the reconfiguration of the second floor at BTGH but that the Board is not approving it at this time. Mr. Sams stated that all additional electrical load has been suspended at BTGH and confirmed that he will request the Board's approval before creating any changes that will add to that load.

2. Review and Discussion Regarding an Update on the Pharmacy Central Fill Project **[Board Education]**.

Dr. Therese Hoffman, Director of Pharmacy, Ambulatory Care Services, and Mr. Tam Nguyen, Director of Pharmacy Operations, presented the update on the Pharmacy Central Fill Project. Dr. Hoffman noted that the primary objectives of the Central Fill facility are to expand patient access to clinical pharmacy services, to reduce labor costs for pharmacy services through the use of automation, and to improve quality. She stated that Central Fill was approved by the Board in October 2012 and approved by the Centers for Medicare and Medicaid Services (CMS) as a Delivery System Reform Incentive Payment (DSRIP) project in September 2013. Dr. Hoffman explained that the Central Fill facility uses automation to fill a maximum of 8,000 prescriptions during an 8-hour period. She stated that to meet the current DSRIP Demonstration Year 3 (DY3) volume metric for prescription refills, Central Fill needs to fill 40% of the 2.3 million prescriptions that are filled at Harris Health each year. Dr. Hoffman stated that this project provides an improved patient experience, creates greater collaboration between pharmacists and physicians for enhanced physician support, and results in decreased hospital readmissions. Mr. Nguyen stated that implementation of this project places Harris Health in alignment with national industry standards because all major Pharmacy Benefit Managers (PBMs) have a Central Fill facility. A copy of the presentation is available in the permanent record.

3. Presentation of Harris Health System's Compensation Study Prepared by Buck Consultants **[Board Deliverable]**.

Ms. Diane Poirot, Vice President, Human Resources, presented the final report of the Buck Consultants Compensation Study for leadership positions at Harris Health System. She reported that Harris Health ranks 3% above the Houston market for base pay but ranks 4% below the Houston market for total cash compensation because Harris Health does not have a bonus program. Ms. Poirot stated that with regard to individual employee base pay, 72% of employees fall within the broadly competitive range, 8% of employees fall below the broadly competitive range and 20% of employees are above the broadly competitive range. She stated that with regard to total cash compensation, 54% of employees fall within the broadly competitive range, 36% of employees fall below the broadly competitive range and 10% of employees are above the broadly competitive range. Ms. Poirot reported that Human Resources Compensation made the following recommendations to Harris Health:

1) eliminate jobs that no longer exist, 2) re-grade jobs that fall below or above the broadly competitive range, 3) re-evaluate jobs that have changed in size and scope due to the reorganization, 4) maintain a 50th percentile base pay market-match strategy and 5) expand recruitment efforts outside of the Houston region and focus on potential employees who share the organization's mission of service to the community. Ms. Poirot stated that a comparison was performed between Harris County and Harris Health in the area of administrative support jobs. She explained that 26% of Harris Health's administrative support jobs fall below the broadly competitive range, 63% of the jobs fall within the broadly competitive range and 11% are above the broadly competitive range. A copy of the report is available in the permanent record.

## **E. Legislative Committee**

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

Mr. R. King Hillier, Vice President, Public Policy and Government Relations, led the discussion regarding pending federal legislative and policy issues affecting Harris Health System. Mr. Hillier announced that U.S. Attorney General Eric Holder tendered his resignation. He stated that Congress passed a 10-week resolution to keep the government funded through December 11, 2014 and that if the Republicans win the Senate in the upcoming elections, they may potentially pass another continuing resolution and postpone approving a budget until the 114th Congress convenes. With regard to the delay in qualifying new Harris Health clinics for the federal 340B drug reimbursement program, Mr. Hillier reported that he attended a joint meeting between the Centers for Medicare and Medicaid Services (CMS), the Health Resources and Services Administration (HRSA) and the Office of Pharmacy Affairs (OPA). He mentioned that Ms. Mary Schneider, Harris Health Liaison for Intergovernmental Affairs, Mr. Terry Reeves, Senior Vice President, Corporate Compliance, and representatives from Congressman Kevin Brady's office, Congressman Pete Olson's office and Congressman John Culberson's office were also in attendance. Mr. Hillier stated that Harris Health would not be granted an administrative waiver but that Harris Health may be allowed to send CMS a CMS-855A certification whenever it opens a provider-based site.

2. Update, Discussion and Possible Action Regarding Activities in Austin Relating to Legislative/Regulatory Issues Impacting Harris Health System, the 84<sup>th</sup> Legislative Session, and the Harris Health System Legislative Platform.  
Mr. Hillier led the discussion regarding activities in Austin relating to legislative and regulatory issues impacting Harris Health System, the 84<sup>th</sup> Legislative Session, and the Harris Health legislative platform. He reported that Harris Health may receive a portion of \$345M in Delivery System Reform Incentive Payment (DSRIP) funds that were designated for innovative mental health programs but lapsed during Demonstration Year 2 (DY2). Mr. Hillier stated that additional research is required to determine if access to the lapsed DSRIP funds is dependent upon an intergovernmental transfer (IGT). He encouraged the

Board to complete the legislative member survey that he distributed last week. Mr. Hillier stated that he will distribute another copy of Harris Health's policy platform to the Board, which will be presented for Board discussion and approval in October 2014. Mr. Hillier also reported that several state candidates appearing at the Texas Tribune Fest stated that the federal government will not approve a block grant program as an alternative for the Affordable Care Act (ACA) Medicaid expansion, but that a Children's Health Insurance Program (CHIP) type of program may be possible.

## **F. Corporate Compliance Committee**

1. Compliance Education – Part III: Health Insurance Portability and Accountability Act (HIPAA) [**Board Education**].

Mr. Terry Reeves delivered the presentation regarding the Health Insurance Portability and Accountability Act (HIPAA). He stated that HIPAA was enacted in 1996 and was originally designed as a portability vehicle for insurance products and it included administrative guidelines for electronic health transactions. Mr. Reeves explained that organizations that transmit health-related data in electronic form must comply with HIPAA. He stated that the information that must be protected under the HIPAA Privacy Rule includes eighteen (18) different identifiers such as a person's name, address, social security number or medical record number. Mr. Reeves noted that in 2009, HIPAA was expanded to include the Health Information Technology for Economic & Clinical Health Act (HITECH), which redefined the definition of a breach. He stated that the HIPAA Security Rule was established to safeguard electronic protected health information (PHI) that is received, used, created or maintained by a covered entity. Mr. Reeves outlined the following HIPAA topics as being important for Harris Health: 1) health information exchanges, 2) minimum necessary information and security roles, 3) business associate agreements, 4) destruction of PHI, 5) HIPAA investigations, sanctions and required reporting, 6) HIPAA education and training, and 7) compliance with other state and federal privacy laws. Dr. Santos inquired whether Harris Health addresses the use of smart phones by medical students and residents to monitor patient information. Mr. Reeves answered that the medical staff, residents and medical students undergo training at their respective medical schools and that if a breach is caused by the medical staff, their medical schools are obligated to report the breach. He also stated that new residents receive HIPAA training at resident orientation. A copy of the presentation is included in the permanent record.

### **SUPPLEMENTAL AGENDA ITEMS:**

#### **Motion 14.09-114**

Moved by Ms. Daisy Stiner, seconded by Dr. George Santos, and unanimously passed that the Board approve consideration of the supplemental agenda items.

Mr. Elvin Franklin, Jr. announced that the Board of Managers would consider supplemental agenda items prior to the adjournment of the regular meeting of the Board of Managers. Dr. Ericka Brown, Executive Vice President and Administrator,

Ambulatory Care Services, requests that the Board consider the following supplemental agenda items:

**Motion 14.09-115**

Moved by Mr. TJ Tijerina, Jr., seconded by Ms. Daisy Stiner, and unanimously passed that the Board approve supplemental agenda items 1 and 2.

1. Approval of an Interlocal Agreement Between Harris County and the Harris County Hospital District d/b/a Harris Health System for the Provision of Health Care Services at Certain Residential Facilities.
2. Approval of an Interlocal Agreement with Harris County Community Supervision and Corrections Department for the Provision of Health Care at the Peden and Atascocita Facilities.

Dr. Brown presented the consideration of an interlocal agreement between Harris County and Harris Health System for the provision of health care services at certain residential facilities and the consideration of an interlocal agreement with Harris County Community Supervision and Corrections Department for the provision of health care at the Peden and Atascocita facilities. Dr. Brown stated that Harris Health agreed to provide primary care services and psychiatric consultative services at the Atascocita and Peden residential facilities for residents who are under court order to complete mental health and/or substance abuse programs. She noted that the agreements do not include providing supplies and basic laboratory testing and that Harris Health will not be providing those services. Ms. Rosalinda Garcia, Assistant Attorney, Harris County Attorney's Office, stated that the costs of the providers and any prescriptions will be paid directly by Harris County. Copies of the agreements are included in the permanent record.

**VII. Executive Session**

At 11:19 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.

**VIII. Reconvene**

At 12:31 p.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 Close Out of Harris Health's Agreement with Sodexo Services of Texas Limited Partnership, Pursuant to Texas Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session.

**Motion 14.09-116**

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

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 the amount of \$306,478.09, payable to Sodexo, Inc. & Affiliates, for the purchase of Inventory, Catering Services, and to resolve any and all outstanding claims for payment from the closeout of Harris Health's Agreement with Sodexo Services of Texas Limited Partnership, a Texas Limited Partnership. George V. Masi, President/CEO of Harris Health, is authorized to execute any agreement, release or other necessary documents to effect this settlement.

- D. Consultation with the County Attorney Regarding Reconciliation of Payment for Prenatal Dental Health Services Provided by Craven & Plummer, Inc., Pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session.

**Motion 14.09-117**

Moved by Ms. Carolyn Truesdell, seconded by Ms. Daisy Stiner, and unanimously passed that the Board approve agenda item VIII.D.

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 to Craven & Plummer, Inc. in the amount of \$14,095.62 for prenatal dental health services provided by Craven & Plummer, Inc. to patients referred by Harris Health for these services. George V. Masi, 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 Harris County Hospital District d/b/a Harris Health System's Intergovernmental Transfers for Disproportionate Share and Uncompensated Care, Pursuant to Tex. Gov't Code Ann. § 551.071, and Possible Action Regarding This Matter Upon Return to Open Session.

**Motion 14.09-118**

Moved by Ms. Carolyn Truesdell, seconded by Dr. George Santos, and unanimously passed that the Board approve agenda item VIII.E.



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 Harris Health President/CEO, in consultation with the Harris County Attorney, to engage outside legal counsel, in an amount not to exceed \$80,000, to assist Harris Health with exploring options to challenge rule amendments adopted by the Texas Health and Human Services Commission that revise the Disproportionate Share Hospital (DSH) payment methodology and alter the allocation of Uncompensated Care (UC) pool funds under the 1115 Texas Healthcare Transformation and Quality Improvement Program.

**IX. Adjournment**

Moved by Dr. George Santos, seconded by Mr. Brandon Capetillo, and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at 12:34 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 September 25, 2014.

Respectfully submitted,

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

Dr. George Santos, Secretary  
Board of Managers

Recorded by Kenya Shields