

BOARD OF TRUSTEES

Joint Conference Committee

Thursday, November 10, 2022
8:00 A.M.

The meeting will be conducted via Zoom and may be viewed online at:
<http://harrishealthtx.swagit.com/live>

Mission

Harris Health is a community-focused academic healthcare system dedicated to improving the health of those most in need in Harris County through quality care delivery, coordination of care, and education.

AGENDA

I. Call to Order and Record of Attendance	Dr. Andrea Caracostis	2 min
II. Approval of the Minutes of Previous Meeting	Dr. Andrea Caracostis	2 min
• Joint Conference Committee Meeting – May 12, 2022		
III. Medical Staff Engagement	Dr. Steven Brass	10 min
A. Strengthening Medical Staff Involvement: Operations and Service Lines		
1. Update Regarding Medical Staff Engagement Activities – Dr. Steven Brass		<i>(10 min)</i>
IV. Governance and Culture	Mr. Louis Smith	20 min
A. Goal Alignment Between Harris Health and UTH/BCM		<i>(10 min)</i>
B. Consideration of Approval of the Revisions to the Medical Staff Bylaws – <i>Dr. John Foringer and Dr. Martha Mims</i>		<i>(10 min)</i>
V. Items Requiring Periodic Updates/Discussion	Mr. Louis Smith	10 min
A. Cardiology Service Line Update – <i>Ms. Amineh Kostov</i>		
VI. Special Items	Mr. Louis Smith	10 min
A. Review of Harris Health Annual Research Report – <i>Dr. Julia Thompson</i>		
VII. Adjournment	Dr. Andrea Caracostis	1 min

HARRIS HEALTH SYSTEM
MINUTES OF THE BOARD OF TRUSTEES
JOINT CONFERENCE COMMITTEE MEETING
Thursday, May 12, 2022
8:00 AM

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
I. Call to Order and Record of Attendance	<p>Ms. Elena Marks, Chair, called the meeting to order at 8:01 a.m. It was noted that a quorum was present and the attendance was recorded. Ms. Marks announced that only participants scheduled to speak have been provided dial in information for the meeting. All others who wish to view the meeting may access the meeting online through the Harris Health website: http://harrishealthtx.swagit.com/live.</p> <p>Ms. Marks shared that Dr. Mohammad Zare has rejoined the Joint Conference Committee in his new role as the Interim Assistant Chief of Staff for Ambulatory Care Services.</p>	
II. Approval of the Minutes of Previous Meeting Joint Conference Committee Meeting – March 10, 2022		Moved by Dr. Arthur Bracey, seconded by Ms. Alicia Reyes, and unanimously approved the minutes of the previous meeting.
III. Medical Staff Engagement		
A. Strengthening Medical Staff Involvement: Operations and Service Lines 1. Medical Staff Engagement Survey: Feedback Session	<p>Dr. Steven Brass, Executive Vice President & Chief Medical Executive, presented an update on Medical Staff Engagement feedback sessions. He explained that these feedback sessions, or “listening tours” were scheduled as a supplement to the 2021 NRC Medical Staff Engagement Survey. He noted that due to the importance of receiving medical staff feedback, a Program Manager from the Project Management Office, has been assigned to help address comments from the listening tours and survey results.</p>	As reported.

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	<p>The comments were organized in the following categories: IT, Equipment/Supply Chain, Clinical Operations, Staffing, Scheduling/Work Load, Communications, Culture, and Others. Dr. Brass reported that his team is in the process of meeting with stakeholders at Ben Taub Hospital (BT), LBJ Hospital (LBJ), and Ambulatory Care Services (ACS) to create workgroups to work on short-term and long-term solutions. He noted that a short-term solution being implemented is refreshing the physician lounges. Common themes highlighted were physician scheduling, physicians working at the top of their license, need for more beds, nurse turnover and retention, spending too much time on administrative tasks, too many administrators, and feeling like their voices are not being heard.</p> <p>Dr. Martha Mims, Vice Chair, Medical Executive Board, stated that the physicians greatly appreciate updates to the lounges and the focus on retaining nurses. Dr. Tien Ko, Chief of Staff, Lyndon B. Johnson Hospital (LBJ), commented that great strides have been made under Dr. Esmaeil Porsa, President & Chief Executive Officer, and his executive leadership team. He highlighted that updates to the lounges were greatly appreciated, and that talks to address specialty clinics at LBJ were underway. Dr. Sandeep Markan, Chief of Staff, Ben Taub Hospital (BTH) echoed Dr. Ko's comments that a lot of great work has been done to meet physician needs. He stated that the 2021 survey came at a time during which physicians were challenged by the COVID-19 pandemic while trying to meet administrative expectations. He stated that the rounds made by Dr. Porsa and executive leadership, at the pavilions are appreciated, as well as their commitment to close resource gaps. Additionally, support from Harris Health Compliance team on compliance - related matters was impactful.</p> <p>Dr. Hemant Roy, Vice Chair, Harris Health System & Ben Taub Hospital, commented that the attention Dr. Porsa and his executive team have focused on improving physician satisfaction is a good indication, and while outstanding issues remain, he is optimistic that they will be resolved over time.</p>	

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	<p>Dr. Matasha Russell, Chief Medical Officer, Ambulatory Care Services, noted that there has been observed cultural changes, however, leadership could do better at informing frontline staff about the action plans being put in place to address concerns. Dr. John Foringer, Chair, Medical Executive Board, stated that the increased engagement by the Board has also helped convey the System’s commitment to improving physician satisfaction.</p> <p>The committee members discussed issues surrounding nursing retention and the number of nurses who left for higher paying jobs during the pandemic. Dr. Porsa announced that the agencies that poached nurses from Harris Health and other health systems are now struggling to pay nurses in light of declining COVID-19 cases. All the more, Dr. Porsa shared that he is confident that some nurses will be inclined to return to Harris Health.</p>	
IV. Governance and Culture		
A. No Update Item Listed		
V. Items Requiring Periodic Updates / Discussion		
<p>A. Discussion Regarding Harris Health’s Operations Executive Board</p>	<p>Mr. Louis Smith, Senior Executive Vice President & Chief Operating Officer, led discussion regarding Harris Health’ Operating Executive Board (OEB). He noted that meetings of the OEB were paused briefly but regular meetings have resumed. He reminded the Committee that the purpose of the OEB, in tandem with medical school partners, is to develop operational excellence within Harris Health by streamlining processes through a single health system approach for the benefit of the System’s patient population. Mr. Smith mentioned that there was good dialogue at the last OEB meeting regarding the purpose of the group and if there was a need for the group. He noted that one of the goals of the group is to ensure that improvements made to support medical staff are sustainable. The OEB discussed the forums to be developed to facilitate physician engagement in areas of quality, operations, care management, and compliance.</p>	<p>Ms. Elena Marks recommended that this agenda item should be on the next meeting’s agenda due to time constraints. She also requested to include Dr. Ann Barnes in that upcoming discussion.</p>

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	<p>Mr. Smith shared that the two major themes that came from the last OEB meeting were: 1) physicians wanting to know more about the structure of HHS and decision-making processes, and 2) understanding the short-term priorities within the Strategic Plan. The Committee discussed opportunities to engage younger medical staff. Dr. Foringer shared that he partners frequently with chief medical residents, who continue to be a great resource for information.</p>	
<p>VI. Special Items</p>		
<p>A. Discussion Regarding Harris Health’s Care Management Redesign</p>	<p>Ms. Amy Smith, Senior Vice President Transitional & Post-Acute Care, presented Harris Health’s Care Management redesign. Ms. Smith began by focusing on key care management updates. She noted that there was restructuring of the Care Management team including the creation of roles such as Vice President of System Care Management and Director of Care Management Education and Coaching. She also said that the team is rebranding from “Case Management” to “Care Management”, and that the team is moving away from episodic care management and broadening their scope to focus on the continuum of care. Ms. Smith reported on Care Management’s current initiatives such transitioning from a unit based model to a team-based model, Lyft ride-sharing partnership, and system-wide staffing analysis.</p> <p>Dr. Ann Barnes, Executive Vice President & Chief Medical Executive, reported on how care management ties into population health, and how they work in tandem across the continuum of care. She stated that Care Management and Population Health teams have monthly meetings to discuss clinical integration and community integration efforts. These efforts include, but are not limited to, Care Management referrals to patient education for patients with diabetes, and standardized screening for social determinants of health.</p> <p>The Committee discussed national care management best practices and integrating care management across outpatient services. They also</p>	

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	discussed education going beyond just the patient and touching family caregivers and communities as a whole.	
VII. Adjournment	Moved by Dr. Arthur Bracey, seconded by Ms. Alicia Reyes, and unanimously approved to adjourn the meeting. There being no further business, the meeting adjourned at 8:50 a.m.	

I certify that the foregoing are the Minutes of the Meeting of the Joint Conference Committee of the Board of Trustees of the Harris Health System held on May 12, 2022.

Respectfully submitted,

Ms. Barbie Robinson, Chair

Recorded by Yasmin Othman

Thursday, May 12, 2022

Harris Health System Board of Trustees Board Meeting – Joint Conference Committee Attendance

Note: For Zoom meeting attendance, if you joined as a group and would like to be counted as present, please submit an email to: BoardofTrustees@harrishealth.org before close of business the day of the meeting.

MEMBERS PRESENT	MEMBERS ABSENT	BOARD MEMBERS PRESENT
Ms. Elena Marks, Chair	Dr. Fareed Khan, Assistant Chief of Staff (BCM)	Dr. Ewan D. Johnson
Ms. Alicia Reyes	Dr. Mohammad Zare, Assistant Chief of Staff (ACS)	Mr. Lawrence Finder
Dr. Arthur Bracey (Ex-Officio)		Ms. Jennifer Tijerina
Dr. Esmaeil Porsa, President & Chief Executive Officer		Professor Marcia Johnson
Dr. John Foringer, Chair, Medical Executive Board		
Mr. Louis Smith, Senior Executive Vice President & Chief Operating Officer		
Dr. Martha Mims, Vice Chair, Medical Executive Board		
Dr. Matasha Russell, Chief Medical Officer, Ambulatory Care Services		
Dr. Sandeep Markan, Chief of Staff, Ben Taub Hospital		
Dr. Steven Brass, Executive Vice President & Chief Medical Executive		
Dr. Tien Ko, Chief of Staff, Lyndon B. Johnson Hospital		

EXECUTIVE LEADERSHIP
Ms. Amy Smith, Senior Vice President, Transitions & Post-Acute Care
Dr. Ann Barnes, Executive Vice President & Chief Medical Executive
Ms. Carolynn Jones, Executive Vice President & Chief Compliance and Risk Officer
Dr. Glorimar Medina-Rivera, Executive Vice President, Ben Taub Hospital
Dr. Hemant Roy, Vice Chair, Harris Health System & Ben Taub Hospital

Dr. Jackie Brock, Executive Vice President & Chief Nursing Executive
Dr. Jason Chung, Associate Chief Medical Officer & Senior Vice President, Medical Affairs and Utilization
Dr. Jennifer Small, Executive Vice President, Ambulatory Care Services
Mr. Ken Costigan, Vice President, Transformation & Operational Excellence
Ms. Maria Cowles, Senior Vice President, Chief of Staff
Dr. Maureen Padilla, Senior Vice President, Nursing Affairs & Support Services
Dr. Michael Nnadi, Senior Vice President, Chief Pharmacy Officer
Mr. Omar Reid, Executive Vice President, Chief People Officer
Ms. Patricia Darnauer, Executive Vice President, Lyndon B. Johnson Hospital
Mr. Sam Karim, Vice President, Enterprise Projects & Strategy
Ms. Sara Thomas, Vice President Legal Affairs/Managing Attorney, Harris County Attorney's Office
Ms. Victoria Nikitin, Executive Vice President, Chief Financial Officer

OTHERS PRESENT	
Antoinette Cotton	Ebon Swofford
Jerry Summers	Randy Manarang
Cherry Pierson	Elizabeth Winn
Nicholas Bell	Tai Nguyen
Daniel Smith	Jennifer Zarate
Paul Lopez	Yasmin Othman

Thursday, November 10, 2022

Consideration of Approval of the Revisions to the Medical Staff Bylaws

The Harris Health System Medical Executive Board and Medical Staff have approved the attached revisions to the Medical Staff Bylaws.

The Harris Health System Medical Executive Board requests the approval of the Board of Trustees.

Summary of Revisions to Medical Staff Bylaws

- **Removal of all references to “Quentin Mease Hospital Campus” throughout the Medical Staff Bylaws** - This hospital campus no longer exists at Harris Health and the building where this hospital campus was located is currently being remodeled and will be a part of Ambulatory Care Services when it reopens.
- **Removal of all references to “Registered Dietician” throughout the Medical Staff Bylaws (Page 1)** – Registered Dieticians will provide services through an approved protocol and ordering process in Epic, instead of being granted clinical privileges through the medical staff process.
- **Article III, Section 5 – Liability Coverage (Page 2)** - Revised language related to liability insurance carried by medical staff to reference that liability coverage is determined by the applicable contractual agreement.
- **Article XI – Chief Medical Executive (Pages 3-4)** – This article was revised to: (1) Update the position title from “Chief Medical *Officer*” to “Chief Medical *Executive*”; (2) clarify that the Chief Medical Executive may be, but is not required to be, a member of the Active Staff; (3) clarify that the Chief Medical Executive is the executive champion for the Governing Body (Harris Health’s Board of Trustees) Quality Committee; and (4) clarify that the Chief Medical Executive, or his designee, serves as a voting ex-officio member of all Medical Staff Committees, except the Practice Improvement (formerly Peer Review) Committee and the Professionalism and Well-Being Committee.
- **Article XIV – Committees (Pages 5-7)** – This article was revised significantly in collaboration with the Chairs and Vice-Chairs of the various Medical Staff Committees. The key revisions are as follows:

Introductory Paragraphs (Pages 5-7)

- Clarified requirement for each Medical Staff Committee to have a Chair *and* a Vice/Co-Chair unless the Chair of the Medical Executive Board determines a Vice/Co-Chair is not necessary;
- Set a minimum quorum threshold for all Medical Staff Committees of at least 50% of the voting members of the committee, including at least one representative from UT and one representative from BCM, and allowing voting members to send a designee to a meeting if approved by the committee Chair;
- Set a minimum meeting attendance threshold for voting members of each Medical Staff Committee of at least 50% each calendar year;
- Added language in the spirit of promoting education and leadership development, to encourage Medical Staff Committee members to bring other Medical Staff members, Housestaff members, and students as non-voting guests to committee meetings with approval of the committee Chair; and
- Clarified obligation of all Medical Staff Committee members to report potential conflicts of interest when applicable to the work of the committee.

Section 1 - Medical Executive Board (Page 7)

- Added Chiefs of Staff for the Ben Taub Hospital Campus and the Lyndon B. Johnson Hospital Campus as voting members of the Medical Executive Board

Section 2 – Bylaws Committee (Page 8)

- Revised “annual” review to “ongoing” review of the Medical Staff Bylaws; and
- Clarified that quorum requires at least (5) committee members.

Section 3 – Cancer Committee (Pages 8-9)

- Clarified that quorum requires at least (5) committee members; and
- Clarified that attendance will comply with accrediting body requirements (the Commission on Cancer currently requires 75% attendance).

Section 6 – Ethics Committee (Pages 10-11)

- Clarified duties of the committee

Section 7 – Infection Prevention and Control Committee (Page 11)

- Renaming of committee from “Infection Control Committee” to “Infection *Prevention and Control* Committee”;
- Addition of two (2) non-medical staff voting members – the Chief Medical Executive and Chief Nursing Executive; and
- Revised from monthly to quarterly meeting cadence.

Section 8 – Medical Records Committee (Pages 11-12)

- Clarified duties of the committee; and
- Clarified that quorum requires at least (5) committee members.

Section 9 – Practice Improvement Committee (PIC) (Pages 12-16)

- Renaming of committee from “Peer Review Committee” to “Practice Improvement Committee”
- This entire section was re-written to align with the work recently done by the Medical Staff on this subject

Section 10 – Pharmacy and Therapeutics Committee (Page 16-18)

- Clarified duties of the committee; and
- Revised the membership of the committee

Section 14 – Utilization Review Committee (Page 19)

- Clarified duties of the committee

Section 15 – Hospital Campus Committees (Pages 20-21)

- **Article XV – Ambulatory Care Services (Pages 22-23)** – This article was revised to address how this topic is described in medical school affiliation agreements.
- **Article XVII – Meetings of Committees and Clinical Services (Page 25-26)** – Deleted
- **Article XIX, – Performance Improvement (Page 27)** – Deleted

BYLAWS

OF THE

HARRIS COUNTY HOSPITAL DISTRICT

d/b/a HARRIS HEALTH SYSTEM

MEDICAL STAFF

PREAMBLE

WHEREAS, The Harris County Hospital District d/b/a Harris Health System (“Harris Health”) is organized under the laws of the State of Texas; and in accordance with Chapter 281 of the Texas Health and Safety Code Ann. as amended.

WHEREAS, Harris Health is a community-focused academic healthcare system dedicated to improving the health of those most in need in Harris County through quality care delivery, coordination of care, and education.

WHEREAS, it is recognized that the Medical Staff is responsible for the quality of medical care at Harris Health and must accept and discharge this responsibility, subject to the ultimate authority of the Governing Body, and that the cooperative efforts of the Medical Staff, the Chief Executive Officer and the Governing Body are necessary to fulfill Harris Health's obligations to its patients;

THEREFORE, the physicians, dentists, and other defined medical professionals practicing at Harris Health hereby organize themselves into a Medical Staff to provide good quality medical care, education and research in conformity with these Bylaws.

DEFINITIONS

Whenever the context requires, words of masculine gender used herein shall include the feminine and the neuter, and words used in the singular shall include the plural.

1. The term “**ACTIVE STAFF**” shall consist of those Medical Staff members who assume all the functions and responsibilities of membership on the Active staff.
2. The term “**ADVANCED PRACTICE PROFESSIONAL**” (**APP**) shall be defined as an individual who holds a state license in their profession as well as other educational credentials attesting to training and qualifications to provide services in one or more of the following categories: Physician Assistant (PA), Certified Registered Nurse Anesthetist (CRNA), Nurse Practitioner (NP) or Clinical Nurse Specialist (CNS), Optometrist (OD), Certified Nurse Midwife (CNM), Clinical Psychologist, ~~Registered Dietician,~~ and Clinical Pharmacist. Clinical Pharmacists are limited to those pharmacists authorized by state law to sign prescription drug orders for dangerous drugs under a Drug Therapy Management Protocol of a physician who is a member of Harris Health’s Medical Staff.
3. The term “**AMBULATORY CARE SERVICES**” shall include the operation of a network of clinics by Harris Health that provide outpatient medical services.

- d. Appointment or reappointment to the Medical Staff confers on the appointee only such Clinical Privileges as have been approved by the Governing Body.
- e. Each application for Medical Staff appointment shall be signed by the applicant and shall contain the applicant's specific acknowledgement of a Medical Staff member's obligations to provide continuous care and supervision of their patients, to abide by the Medical Staff Bylaws, Rules and Regulations, to accept committee assignments and to accept staff assignments in geographic areas under the jurisdiction of Harris Health. ~~All Medical Staff members shall carry an appropriate level of professional liability insurance as determined by the Medical Executive Board and Chief Executive Officer.~~ All Medical Staff members shall carry an appropriate level of professional liability insurance as defined in the applicable contract agreement.
- f. Appointments and reappointments to the Medical Staff shall always conform to applicable State and Federal laws.

Section 6. Leave of Absence

- a. Requesting a Leave of Absence. A Practitioner or APP may submit a written request for a leave of absence 30 days prior to the requested leave, unless related to Medical Leave of Absence. Upon favorable recommendation by the appropriate Service Chief and Credentials Committee, the Medical Executive Board may consider a voluntary leave of absence for up to one (1) year. An additional one (1) year may be granted for good cause in accordance with policy. During the period of the leave, the Practitioner or APP shall not exercise Clinical Privileges at Harris Health, and the Practitioner or APP's rights and responsibilities shall be inactive. All medical records must be completed prior to granting a leave of absence unless circumstances would not make this feasible.
- b. Termination of Leave. At least 45 days prior to the termination of the leave of absence, or at any earlier time, the Practitioner or APP may request reinstatement of privileges by submitting a written notice to Medical Staff Services along with a summary of relevant activities during the leave. The Practitioner or APP's request, activity summary and verification, if applicable, shall be presented to the appropriate Service Chief who will provide written recommendation and identify any conditions, i.e., focused professional practice evaluation upon the Practitioner or APP's return. The Credentials Committee will review the documentation and provide written recommendation to the Medical Executive Board. Reactivation of membership and Clinical Privileges previously held shall be subject to focused professional practice evaluation as determined by the Medical Executive Board following recommendation by the appropriate Service Chief(s) and Credentials Committee. The Governing Body will be informed of the Practitioner or APP's return to Staff and shall receive the performance data summary, if any. If the Practitioner or APP is scheduled for reappointment during the approved leave, the Practitioner or APP's application for reappointment must be finalized in accordance with Article VI, Section 4 prior to the Practitioner or APP's return.
- c. Failure to Request Reinstatement. Failure, without good cause, to request reinstatement shall be deemed a voluntary resignation from the Medical Staff and shall not give rise to the right to a fair hearing. A request for Medical Staff membership received from a Practitioner or APP subsequent to termination shall be submitted and processed in the manner specified for applications for initial appointments.
- d. Medical Leave of Absence. Following recommendation by the appropriate Service Chief and Credentials Committee, the Medical Executive Board shall determine the circumstances under which a particular Practitioner or APP shall be granted a leave of absence for the purpose of obtaining treatment for a medical condition or disability. Unless accompanied by

Medical Staff's compliance with procedural safeguards in all instances where corrective action has been requested against a Medical Staff member;

- (5) Appoints committee members, including the Chair, to all standing, special, and multi-disciplinary Medical Staff committees that report to the Medical Executive Board. There will be appropriate representation from Ben Taub Hospital ~~and Quentin Mease Hospital campuses~~, Lyndon B. Johnson Hospital campus, and Ambulatory Care Services. Physicians employed by Harris Health who are not on the faculty of either the University of Texas Health Science Center at Houston or Baylor College of Medicine may be recommended to the Chair of the Medical Executive Board for appointment to Medical Staff committees by the Chief Medical Officer as he or she deems appropriate.
 - (6) Receives the policies of the Governing Body and interpret them to the Medical Staff and report to the Governing Body on the performance and maintenance of quality with respect to the Medical Staff's delegated responsibility to provide medical care;
 - (7) Be responsible for the educational activities of the Medical Staff;
 - (8) Acts on behalf of the Medical Staff in emergency situations between meetings of the Medical Executive Board and report such actions at the next Medical Executive Board meeting.
- b. Vice Chair of the Medical Executive Board: In the absence of the Chair of the Medical Executive Board, the Vice Chair shall assume all the duties and have the authority of the Chair of the Medical Executive Board. The Vice Chair shall be a member of the Medical Executive Board and be elected in accordance with Section 3(b) of this Article. The Vice Chair shall also serve as Chair of the Medical Staff Bylaws Committee.

Section 7. Removal of an Officer

A request to remove an officer can be made by any of the Chiefs of Staff, the Chair of the Medical Executive Board, or Chief Executive Officer of Harris Health. At the next meeting of the Medical Executive Board, and at subsequent meetings as required, the request will become an agenda item and removal of the officer will occur upon a two-thirds majority vote of all Medical Executive Board members. Removal from office shall not affect the Practitioner's Medical Staff membership and Clinical Privileges and shall not give rise to a hearing under Article IX of these Bylaws. Conditions for removal may include but shall not be limited to the following:

- a. Failure to perform the essential duties of the position held in a timely and appropriate manner;
- b. Failure to continuously meet the qualifications for the position;
- c. Being the subject of a final adverse action;
- d. Malfeasance in office;
- e. Mental or physical impairment that renders the officer incapable of fulfilling the duties of the office; or
- f. Flagrant disregard for the rights of members of the Medical Staff or the Governing Body.

ARTICLE XI — CHIEF MEDICAL OFFICER EXECUTIVE

The Chief Medical ~~Officer~~Executive is appointed by Harris Health and must be a qualified physician. The Chief Medical Executive may be a ~~who is a~~ member of the Active Staff. He or she is encouraged to be a faculty member at both the Baylor College of Medicine and The

University of Texas Health Science Center. In addition, the Chief Medical ~~Officer~~Executive shall serve concurrently as an Executive Vice President of Harris Health.

The Chief Medical ~~Officer~~Executive oversees the quality of patient care throughout Harris Health in concert with the Chiefs of Staff and pavilion leadership. The Chief Medical ~~Officer~~Executive attends meetings of the Governing Body, chairs the Harris Health Quality Governance Council, and is the executive champion for the ~~serves as a member of the Joint Conference Committee and Utilization Review Committee, and attends the~~ Governing Body's ~~q~~Quality Committee. The Chief Medical ~~Officer~~Executive, or his or her designee, ~~-~~serves as a voting ex-officio member of all Medical Staff Committees with the exception of the Peer Review Committee and the Professionalism and Well-Being Committee.

The CME~~Q~~'s responsibilities include the following:

- a. Assume accountability for the implementation and evaluation of Harris Health's Quality, Safety, and Performance Improvement Plan;
- b. Facilitate compliance with regulation and/or standard requirements by overseeing the quality of patient care, treatment, and services provided;
- c. Provide for structures and processes to support timely and accurate information through data acquisition, analysis, validation and reporting; and
- a.d. Provide oversight for the credentialing and privileging of medical staff to assure compliance with regulatory and accrediting agencies.

ARTICLE XII —CHIEFS OF STAFF

Section 1. Appointment

- a. The Chief of Staff at Lyndon B. Johnson Hospital campus shall be appointed by the Dean of The University of Texas Health Science Center at Houston and with the advice and consent of the Chief Executive Officer of Harris Health.
- b. The Chief of Staff at Ben Taub Hospital ~~and Quentin Mease Hospital~~ campuses shall be appointed by the President of Baylor College of Medicine and with the advice and consent of the Chief Executive Officer of Harris Health.
- c. The Chief of Staff of Ambulatory Care Services shall be jointly appointed by Baylor College of Medicine and the University of Texas Health Science Center at Houston and with the advice and consent of the Chief Executive Officer of Harris Health. The Chief of Staff of Ambulatory Care Services, with the advice and consent of the Chief Executive Officer of Harris Health, shall appoint two (2) Assistant Chiefs of Staff, one (1) affiliated with Baylor College of Medicine and one (1) affiliated with the University of Texas Health Science Center at Houston.
- d. All Chiefs of Staff shall be subject to approval by the Governing Body.

Section 2. Duties

including the annual joint service meeting.

Section 7. Assignment to Service

The Medical Executive Board shall, after consideration of the recommendations of the clinical services as transmitted through the Credentials Committee, recommend initial service assignments for all Medical Staff members.

ARTICLE XIV — COMMITTEES

Committees of the Medical Staff perform such duties as specifically enumerated in this Article ~~and~~, such other duties as may be assigned by the Chair of the Medical Executive Board or one of the Chiefs of Staff, and as outlined in any applicable committee charters or policies. Each committee shall maintain a permanent record of its activities and minutes of its meetings and following each meeting make a written report to the Medical Executive Board.

Copies of all minutes will be forwarded to Medical Staff Services for filing. A summary of the activity of each committee will be presented at least quarterly to the Medical Executive Board. The Medical Executive Board receives quality information and shares Medical Staff quality information at the appropriate Harris Health quality forum(s).

The committees described in this Article shall serve as committees of the entire Medical Staff of Harris Health and shall have equal representation from The University of Texas Health Science Center at Houston and Baylor College of Medicine. Appointments of Active Medical Staff members will be made annually by the Chair of the Medical Executive Board upon recommendation of the Chiefs of Staff. Practitioners employed by Harris Health who are not on the faculty of either The University of Texas Health Science Center at Houston or Baylor College of Medicine may be recommended to the Chair of the Medical Executive Board for appointment to Medical Staff committees annually by the Chief Medical ~~Officer~~ Executive as he or she deems appropriate.

A Chair and Vice/~~Co~~-Chair of each of these committees shall be designated by the Chair of the Medical Executive Board unless the Chair of the Medical Executive Board determines a Vice/~~Co~~-Chair is not necessary.

Members of committees shall agree to the stated purposes of the committees, shall abide by the applicable rules of confidentiality, and shall be oriented to the purposes and functions of committees at the time of appointment.

A quorum is the minimum number of voting members of a committee who must be present at a properly called meeting in order to conduct committee business requiring action by the committee. For the committees listed in this Article, a quorum shall mean at least 50% of the voting members of the committee, consisting of at least one representative from The University of Texas Health Science Center at Houston and one representative from Baylor College of Medicine. Voting members of any committee may request a designee attend and vote at a committee meeting for the voting member if approved by the committee Chair.

The two (2) year term of office for all appointed committee members shall begin on the first day of January following their appointment by the Chair of the Medical Executive Board and shall terminate on the thirty-first day of December of the following year, unless the Chair of the Medical Executive Board fails to appoint new members. In such case, the committee members shall serve until new members are appointed or the existing members resign. -All voting committee members must attend at least 50% of the committee meetings each calendar year to remain on the committee; however, any particular committee may require a higher % of attendance for voting members. If a voting committee member fails to meet the attendance requirement, he or she will be replaced or assigned

to a non-voting status on the committee by the Chair of the Medical Board. Attendance by a Chair-approved designee will count towards the attendance requirement.

The Chair or Vice Chair of any standing, special, or ad hoc committee of the Medical Staff, including services and sections, may call an executive session meeting. Only members of the Active Medical Staff holding voting privileges on the committee shall attend the executive session meeting. The Chair or Vice Chair, at his or her discretion, may request other individuals to attend the executive session meeting in an informational capacity.

Unless otherwise specified in these Bylaws or at the time of selection or appointment of a Committee, non-Medical staff members of a committee shall serve in an ex-officio capacity without a vote.

To promote education and leadership development, committee members are encouraged to bring other Medical staff members, Housestaff members, and students as non-voting guests with them to committee meetings so long as the committee Chair approves. The committee Chair should take the confidential nature of the meeting into consideration in making this determination, especially with regards to the Credentials, Peer Review, and Professionalism and Well-Being Committees.

Committees of the Medical Staff described in the Medical Staff Bylaws all function as “medical committees” and/or “medical peer review committees” pursuant to state law. Each committee’s records and proceedings are, therefore, confidential, legally privileged, and protected from discovery under certain circumstances.

~~The function that the committee performs determines the protected status of its activities.~~ Information is protected by the privileged if it is sought out by or brought to the attention of the medical committee and/or medical peer review committee for purposes of an investigation, review, or other deliberative proceeding. Medical peer review activities include the evaluation of medical and health care services, including the evaluation of the qualifications of professional health care practitioners and of patient care provided by those practitioners. These review activities include evaluating the merits of complaints involving health-care practitioners, and determinations or recommendations regarding those complaints. The medical peer review privilege applies to records and proceedings of the committee, and oral and written communications made to a medical peer review committee when engaged in medical peer review activities. Medical committee activities also include the evaluation of medical and health care services. The medical committee privilege protection extends to the minutes of meetings, correspondence between committee members relating to the deliberative process, and any final committee product, such as any recommendation or determination.

In order to protect the confidential nature of the quality and peer review activities conducted by the committee, the committee’s records and proceedings must be used only in the exercise of proper medical committee and/or medical peer review functions to be protected as described herein. Therefore, committee meetings must be limited to only the committee members and approved invited guests who need to attend the meetings. The committee must meet in executive session when discussing and evaluating the qualifications and professional conduct of professional health care practitioners and patient care provided by those practitioners. At the beginning of each meeting, the committee members and invited guests must be advised that the records and proceedings must be held in strict confidence and not used or disclosed other than in committee meetings, without prior approval from the Chair of the committee. Documents prepared by or considered by committee in the committee meetings must clearly indicate that they are not to be copied, are solely for use by the committee, and are privileged and confidential.

The records and proceedings of Harris Health departments that support the quality and peer review

functions of a committee, such as the Patient Safety/Risk Management and Quality Program departments are also confidential, legally privileged, and protected from discovery, if the records are prepared by or at the direction of the committee, and are not kept in the ordinary course of business. Routine administrative records prepared by Harris Health System in the ordinary course of business are not legally privileged or protected from discovery. Documents that are gratuitously submitted to the committee, or which have been created without committee impetus and purpose, are also not protected.

All Committee members shall report any potential conflicts of interest, as further described in Article XX of these Bylaws, that are applicable to the work of the Committee.

Section 1. The Medical Executive Board

a. Membership

All medical staff members are eligible for membership on the Medical Executive Board. Others may serve on the Medical Executive Board from time to time regardless of specialty.

b. Voting Members

The Medical Executive Board shall consist of the following members or designees:

- ~~(1)~~ ~~(1)~~—The Officers of the Medical Staff as defined in Article X, Section 2;
- ~~(1)~~~~(2)~~ The Chiefs of Staff for the Ben Taub Hospital campus and the Lyndon B. Johnson Hospital campus and Ambulatory Care Services;
- ~~(3)~~~~(2)~~—The Assistant Chiefs of Staff of the Family and Community Medicine Service;
- ~~(3)~~~~(4)~~ The Dean of the School of Dentistry of The University of Texas Health Science Center;
- ~~(4)~~~~(5)~~ The Chiefs of Anesthesiology for the Ben Taub Hospital campus and the Lyndon B. Johnson Hospital campus;
- ~~(5)~~~~(6)~~ The Chiefs of Emergency Medicine/Center for the Ben Taub Hospital campus and the Lyndon B. Hospital campus;
- ~~(6)~~~~(7)~~ The Chiefs of Medicine for the Ben Taub Hospital campus and the Lyndon B. Johnson Hospital campus;
- ~~(7)~~~~(8)~~ The Chiefs of Obstetrics and Gynecology for the Ben Taub Hospital campus and the Lyndon B. Johnson Hospital campus;
- ~~(8)~~~~(9)~~ The Chiefs of Pediatrics for the Ben Taub Hospital campus and the Lyndon B. Johnson Hospital campus;
- ~~(9)~~~~(10)~~ The Chiefs of Surgery for the Ben Taub Hospital campus and the Lyndon B. Johnson Hospital campus;
- ~~(11)~~~~(9)~~ The Chiefs of Pathology for the Ben Taub Hospital campus and the Lyndon B. Johnson Hospital campus;
- ~~(12)~~~~(4)~~ The Chiefs of Radiology for the Ben Taub Hospital campus and the Lyndon B. Johnson Hospital campus;
- ~~(13)~~~~(2)~~ One at-large member from the active Medical Staff, representing each Medical Executive Committee, will be chosen by each Medical Executive Committee for a period of one year, to begin on the first day of January following their election. The

Health quality forums in the development and implementation of initiatives to continuously improve patient care and safety, and accreditation and regulatory compliance;

- (12) Provide for the preparation of programs for all general staff meetings, either directly or through delegation;
- (13) Review the credentials of all applicants and to make recommendations for staff membership, assignments to services, and delineation of Clinical Privileges;
- (14) Review periodically all information available regarding the performance and clinical competence of staff members and, as a result of such reviews, to make recommendations for appointment and renewal or changes in Clinical Privileges; and
- (15) Take all reasonable steps to ensure professionally ethical conduct and competent clinical performance on the part of all members of the Medical Staff, including the initiation of and/or participation in Medical Staff corrective or review measures when warranted.

f. Meetings

The Medical Executive Board shall meet monthly. Fifty percent or more of the voting members shall comprise a quorum.

Section 2. Bylaws Committee

a. Duties

The committee shall conduct an ~~annual~~ ongoing review of the Medical Staff Bylaws and the Rules and Regulations and recommend revisions as appropriate.

b. Members

The committee shall consist of at least five (5) members of the Active Medical Staff and appointed by the Chair of the Medical Executive Board pursuant to Article X, of these Bylaws. The committee shall have equal representation from the University of Texas Health Science Center ~~Medical School~~ at Houston and Baylor College of Medicine and may also include physicians employed by Harris Health.

The Vice-Chair of the Medical Executive Board shall serve as the Chair of the committee.

c. Meetings

The committee shall meet as frequently as the Chair determines necessary, but at least quarterly. ~~Not fewer than two (2) Active Medical Staff members of the committee shall constitute a quorum.~~ Not fewer than five (5) Active Medical Staff members two (2) BCM, two (2) UT and CME or designee of the committee shall constitute a quorum.

Section 3. Cancer Committee

a. Duties

The committee must be concerned with the entire spectrum of care for patients with cancer. It shall be the duty of this committee to:

1. Develop and evaluate annual goals and objectives for clinical, educational, and programmatic endeavors related to cancer care;
2. Promote a coordinated multidisciplinary approach to patient management;

3. Ensure that educational and consultative cancer conferences are available to the Medical Staff and Advanced Practice Professionals, and cover all majority cancer sites and related issues;
4. Ensure an active supportive care system for patients, families, and staff;
5. Monitor quality management and improvement through completion of patient care studies that focus on quality, access to care, and outcomes;
6. Promote clinical research;
7. Supervise the cancer registry and ensure accurate and timely abstracting, staging, and follow-up;
8. Perform quality control of registry data;
9. Act as a policy advisory and administrative body with documentation for activities and attendance;
10. Analyze patient outcomes and disseminate the results of the analysis; and
11. Report quarterly to the Medical Executive Board and the Quality Review Councils.

b. Members

The committee shall consist of at least one physician representative from surgery, medical oncology, radiation oncology, diagnostic radiology, pathology, palliative care, cancer liaison physician and representatives from the five major sites of cancer.

Ex-officio members shall include the Chief Executive Officer of Harris Health or his or her designee and representatives from administration, dietary, pharmacy, nursing, rehabilitation, social services, cancer registry and quality management who are concerned with the diagnosis and treatment of cancer.

c. Meetings

The committee shall meet quarterly. Not fewer than ~~five~~^{two} (25) Active Medical Staff members of the committee shall constitute a quorum. Attendance will be in keeping with the accrediting body requirements.

Section 4. Credentials Committee

a. Duties

The duties of the committee shall be:

1. To review and evaluate the credentials of all applicants seeking initial appointment, renewal of appointment, or modification of appointment to the Medical Staff and delineation of Clinical Privileges in compliance with Articles IV, V, VI, and VII;
2. To make recommendations to the Medical Executive Board concerning the qualifications of each applicant for appointment to the Medical Staff, including specific consideration of the recommendations from the services in which such applicant requests privileges;
3. To review and make recommendations to the Medical Executive Board on any change in status of any member, as recommended by the relevant service;
4. To investigate, review, and report on the clinical performance and conduct of any Practitioner when so requested by the Medical Executive Board, a Chief of Service, or the Governing Body;

from the University of Texas Medical School at Houston and Baylor College of Medicine and may also include physicians employed by Harris Health.

The Chairperson of the Credentials Committee shall be designated as the Chairperson of this subcommittee. Other members of the sub-committee should represent the categories of the credentialed Advanced Practice Professionals.

c. Meetings

The subcommittee will meet monthly and on-call of the Chairperson. Not fewer than two (2) Active Medical Staff members of the committee shall constitute a quorum.

Section 5. Emergency Center Committee

a. Duties

The committee shall have the following duties:

1. Develop and/or approve policies for Emergency Services.
2. Perform ongoing review of patient care activities for the Emergency Services at Ben Taub Hospital campus and the Lyndon B. Johnson hospital campus.
3. Recommend to the Medical Executive Board policies and procedures for the efficient operation and maintenance of high quality patient care in the Emergency Centers.
4. Report to the Medical Executive Board and the Quality Review Council.

b. Members

The committee shall consist of at least five (5) members of the Active Medical Staff appointed by the Chair of the Medical Executive Board pursuant to Article XIV of these Bylaws. The committee shall have equal representation from the University of Texas Medical School at Houston and Baylor College of Medicine and may also include physicians employed by Harris Health.

c. Meetings

The committee shall meet at least bi-monthly. Not fewer than two (2) Active Medical Staff members of the committee shall constitute a quorum.

Section 6. Ethics Committee

a. Duties

The committee shall have the following duties:

1. ~~Articulate ethical propositions and enumerate guiding principles for use by Harris Health healthcare professionals in decision making in the care of patients.~~ Provide guidance to Harris Health healthcare professionals in developing processes/policies and applying ethical principles to the care of patients.
2. ~~Educate healthcare professionals, patients and family members regarding the accepted standards of care, current legal and regulatory statutes, and other matters pertaining to decision making in the care of patients.~~ Educate healthcare professionals on common and relevant ethical principles pertaining to the care of patients.
3. ~~Provide case consultation and advice~~ Provide oversight and support for pavilion subcommittees for specific cases and/or for healthcare professionals, patients and family members regarding ethical dilemmas. ~~in the care of specific patients.~~

- b. **Members**
The committee is an interdisciplinary committee consisting of members of the Active Medical Staff appointed by the Chair of the Medical Executive Board pursuant to Article XIV of these Bylaws and representatives of various disciplines as determined appropriate and appointed by the Chief Executive Officer. The committee shall have equal representation from the University of Texas [Health Science Center](#) ~~Medical School~~ at Houston and Baylor College of Medicine and may also include physicians employed by Harris Health.

In addition to the Harris Health system-wide committee, the committee also consists of two subcommittees, one at the Ben Taub Hospital campus and the Lyndon B. Johnson Hospital campus.

- c. **Meetings**
The Harris Health system-wide committee meets at least quarterly. The campus subcommittees meet at least bi-monthly. ~~Not fewer than two (2) Active Medical Staff members of the committee shall constitute a quorum.~~

Section 7. Infection [Prevention and](#) Control Committee

- a. **Duties**

The committee shall investigate facility/community acquired infections within Harris Health system-wide Facilities, as appropriate, and shall make recommendations regarding the control and prevention of these infections. The committee shall have the authority to institute appropriate control measures or studies if, in the opinion of the committee, there could be a danger to any patient or personnel. Any action taken shall be subject to review by the Medical Executive Board. The committee shall report to the Medical Executive Board, ~~and the Harris Health Performance Improvement Committee.~~

- b. **Members**

The committee is ~~a Harris Health committee~~ comprised of appropriate hospital personnel and members of the Medical Staff. [Non-medical voting members shall include two system-level representatives with the Chief Medical Executive or Designee and Chief Nursing Executive \(CNE\) being the recommended voting members to represent Harris Health System.](#)

- c. **Meetings**

The committee shall meet [quarterly](#). ~~bimonthly~~. There shall be a separate Infection [Prevention and](#) Control sub-committee for each hospital campus and Ambulatory Care Services. Each subcommittee shall review activities in each campus/facility and is responsible for reporting to the Infection [Prevention and](#) Control Committee.

Section 8. Medical Records Committee

- a. **Duties**

The committee shall have the following duties:

- ~~1. Be responsible for assuring that all medical records meet the standards of historical validity and data tabulations, thereby providing the essential documentation for maintaining a high standard of patient care;~~ [Be responsible for assuring that all medical records meet federal and state standards, thereby providing the essential documentation for maintaining a high standard of patient care;](#)

- ~~2. Ensure that each service conducts regular reviews of currently maintained medical records to assure that they properly describe the condition and progress of the patient, the therapy provided, the course of illness including the response to treatment, and the identification of responsibility for all actions taken; and that they are sufficiently complete at all times so as to provide ready comprehension in the event of transfer of physician responsibility for patient care;~~
Ensure that regular reviews of currently maintained medical records are performed to confirm that recorded clinical information is sufficient for the purposes of providing and evaluating patient care, retrieval of data and completeness in the event of transfer of physician responsibility for patient care;
- ~~1. Ensure that each service conducts a review of records of discharged patients to determine the promptness of discharge and the pertinence, adequacy and completeness of the record;~~
3. Confirm that reviews of medical records are performed to ensure timeliness and completeness of medical record documentation as defined by regulations;
- ~~2.4.~~ Advise and recommend policies for medical record maintenance including proper filing, indexing, storage and availability retention of all patient records;
- ~~3.5.~~ Make recommendations to the Medical Executive Board for the approval of any changes in format and medical records forms prior to adoption and printing;
- ~~4.6.~~ Monitor delinquent records in order to expedite bringing them to completion; ~~This monitoring will be done via the Chiefs of Service;~~
- ~~5. Conduct pertinent progress review of medical records in accordance with DNV standards;~~
- ~~6.7.~~ Report to the Medical Executive Board ~~and the Quality Review Council.~~

b. Members

The committee shall consist of at least eight (8) members of the Active Medical Staff appointed by the Chair of the Medical Executive Board pursuant to Article XIV of these Bylaws. The committee shall have equal representation from the University of Texas Medical School at Houston and Baylor College of Medicine and may also include physicians employed by Harris Health.

Ex-officio members shall include representatives from nursing services, administration and medical records.

c. Meetings

The committee meets monthly. Not fewer than ~~four~~ two (24) Active Medical Staff members of the committee shall constitute a quorum.

Section 9. Practice Improvement Committee (PIC)

~~Section 9. Peer Review Committee~~

a. Duties

The PIC is a non-disciplinary body whose primary charge is to attempt to resolve the clinical performance issues referred to it in a constructive and successful manner. The PIC makes recommendations to colleagues when appropriate, but does not have the authority

to require any particular action. Only the Medical Executive Board, acting in accordance with the Medical Staff Bylaws, possesses disciplinary authority.

The PIC shall perform the following specific functions:

1. Oversee the implementation of the Professional Practice Evaluation Policy (Peer Review) (“PPE Policy”) and provide direction regarding a program of training to be provided to all applicable stakeholders regarding all components of the policy;
2. Review reports showing the number of cases being reviewed through the PPE Policy, by Service or specialty, to help ensure consistency and effectiveness of the process, and recommend revisions to the process as may be necessary;
3. Review, approve, and periodically update the specialty-specific quality indicators identified by the Services that will trigger the professional practice evaluation/peer review process;
4. Identify variances from rules, regulations, policies, or protocols which do not require physician review, but for which an Awareness Letter may be sent to the practitioner involved in the case;
5. Review cases referred to it as outlined in the PPE Policy;
6. Develop, when appropriate, Voluntary Enhancement Plans for practitioners, as described in the PPE Policy;
7. Monitor and determine that system issues that are identified as part of professional practice evaluation activities are successfully resolved;
8. Work with Service Chiefs to disseminate educational lessons learned from the review of cases pursuant to the PPE Policy, either through peer learning sessions in the Service or through some other mechanism; and
9. Perform any additional functions as may be set forth in applicable policy or as requested by the Medical Executive Board or the Governing Body as allowed by law.

b. Members

1. The PIC shall consist of at least nine (9) members of the Active Medical Staff who are:
 - (a) broadly representative of the clinical specialties on the Medical Staff;
 - (b) generally equally representative of ~~the University of Texas Medical School at Houston and~~ Baylor College of Medicine and The University of Texas Health Science Center at Houston’s McGovern Medical School; ~~(though practitioners employed by Harris Health primarily to provide clinical services may also be appointed); and~~
 - (c) consistent with the non-disciplinary nature of the PIC, not also serving on the Medical Executive Board. ~~Generally, this means~~ (except that ~~no more than~~ up to two (2) members may serve on both the PIC and the Medical Executive Board). If a matter is reviewed by the Medical Executive Board after having been reviewed by the PIC, any individual who participated in

the review as a member of the PIC shall be recused when the matter is reviewed by the Medical Executive Board;

2. In the appointment of PIC members:
 - (a) At least two (2) members should be past Medical Staff leaders who are experienced in credentialing, privileging or PPE/peer review activities (e.g., past Chiefs of Staff, past Service Chiefs, past committee chairs, etc.); and
 - (b) Preference will be given to Practitioners who have been selected to serve as chairs or members of the Clinical Specialty Review Committees described in the Professional Practice Evaluation Policy (Peer Review).
3. The following individuals shall serve as non-voting members to facilitate the PIC's activities:
 - (a) Chief Medical Executive-(or designee);
 - (b) One or more PPE Specialists designated by the PIC.

To the extent Hospital personnel support the committee, such hospital personnel will excuse themselves when directed by the PIC co-chairs and when voting occurs, other than one administrative personnel designated by the Chair to record the Committee minutes.
4. Co-Chairs of the PIC shall be appointed from among its members, with one being from Baylor College of Medicine and one from The University of Texas Health Science Center at Houston's McGovern Medical School and ~~Ben Taub Hospital and one from Lyndon B. Johnson Hospital.~~
5. To the fullest extent possible, PIC members shall serve staggered, three-year terms, so that the committee always includes experienced members. Members may be reappointed for additional, consecutive terms. In determining whether PIC members will be reappointed for additional terms or new members will be appointed, consideration will be given to whether the PIC would benefit from turnover to obtain new perspectives and whether the Medical Staff's leadership development efforts would benefit from the appointment of new members.
6. Before any PIC member begins serving, the member must review the expectations and requirements of the position and affirmatively accept them. This includes, but is not limited to: (i) attending meetings on a regular basis in recognition that the success of the committee is highly dependent on the full participation of its members; (ii) being prepared for each meeting so the committee's functions may be performed in an informed, efficient, and effective manner; (iii) completing assigned committee tasks in a timely manner between meetings; and (iv) participating in periodic training on professional practice evaluation, with the nature of the training to be identified by the PIC.
7. Other appropriate individuals (e.g., Clinical Specialty Review Committee members, Service Chiefs, other Medical Staff members, Advanced Practice Professionals, Chief Nursing Officer, other Hospital personnel, legal counsel, etc.) may be invited to attend a particular PIC meeting as guests, without vote, to assist the PIC in its discussions regarding an issue on its agenda. ~~Specifically, for any PIC meeting where an issue involving APP practice is on the agenda, an appropriate APP peer will be invited to attend as a guest, without vote.~~ These individuals shall be present only for the relevant agenda item and shall be excused for all others when directed by the PIC co-chairs and when voting occurs. Such individuals are

an integral part of the professional practice evaluation process and are bound by the same confidentiality requirements as the standing members of the PIC.

8. Between meetings of the PIC, a PIC Co-Chair, in conjunction with another PIC member, may take steps as necessary to implement the decisions of the PIC. By way of example and not limitation, this may include providing clarifications to a Practitioner regarding the PIC's decisions or expectations, reviewing and approving communications with the Practitioner, responding to questions posed by an internal or external reviewer, and similar matters.

c. Meetings, Reports, and Recommendations:

The PIC shall meet as often as necessary to perform its duties and shall maintain a permanent record of its findings, proceedings, and actions. The PIC shall submit reports of its activities to the Medical Executive Board and the Board on a regular basis. The PIC's reports will provide aggregate information regarding the PPE process (e.g., numbers of cases reviewed by Service or specialty; types and numbers of dispositions for the cases; listing of education initiatives based on reviews; listing of system issues identified). These reports will not include the details of any reviews or findings regarding specific Practitioners unless the PIC determines such information is necessary for the MEB to address a matter.

d. Immunity

To encourage robust and effective peer review, state (Tex. Occupations Code §160.010) and federal (Health Care Quality Improvement Act Subchapter I) laws provide immunity against civil litigation damages for members of the PIC and others supporting the PIC if peer review is conducted without malice, in the reasonable belief that the action or recommendation was in the furtherance of quality health care, warranted by the facts known after a reasonable effort to obtain the facts, and in compliance the procedural requirements outlined in these Bylaws, specifically Article VIII, Corrective Action, and Article IX, Procedural Rights of Review.

~~a. Duties~~

~~The committee shall ensure that Harris Health, through the activities of its Medical Staff, assesses the performance of individuals who are granted Clinical Privileges and uses the results of such assessments to maintain community standards of care, thereby promoting a safe environment and enhancing patient outcome.~~

~~The committee shall:~~

- ~~1. Evaluate the performance of individual Practitioners when issues are brought to the attention of the Peer Review Committee.~~
- ~~2. Assist Harris Health in identifying opportunities for performance improvement.~~
- ~~3. Identify opportunities for individual Practitioners to improve the quality of care they provide to patients.~~
- ~~4. Ensure the peer review process is:
 - ~~(a) clearly defined~~
 - ~~(b) administered in a fair and reasonable manner, and~~
 - ~~(c) useful in improving patient safety at Harris Health.~~~~

~~Circumstances requiring peer review may include, but are not limited to: referrals from the Patient Safety Committee for adverse outcomes such as unexpected mortalities,~~

~~unplanned returns to the OR/Labor & Delivery, unplanned readmissions related to the initial admission or procedure, etc., referrals from Sentinel Event Review Board, and/or referrals from the Credentials Committee.~~

~~The committee shall conduct a peer review with input from one or more Practitioner colleagues (Peers). Peer review differs from other quality improvement processes in the Peer review evaluates the strengths and weakness of individual Practitioner's performance, rather than appraising the quality of care rendered by a group of Practitioners or a system.~~

~~The Chair will report his or her activities to the Medical Executive Board and Patient Safety Committee on a quarterly basis, or more frequently as needed. The Chair will also report to the Credentials Committee as needed.~~

~~b. Members~~

~~The committee shall consist of at least nine (9) members of the Active Medical Staff appointed by the Chair of the Medical Executive Board pursuant to Article XIV of these Bylaws. The committee shall have equal representation from the University of Texas Medical School at Houston and Baylor College of Medicine and may also include physicians employed by Harris Health. The committee shall consist of at least two (2) members from Ambulatory Care Services.~~

~~Ex officio members shall include the Chief Medical Officer, and the Chiefs of Staff from Ben Taub Hospital, Lyndon B. Johnson Hospital, and Ambulatory Care Services. Not fewer than two (2) Active Medical Staff members of the committee shall constitute a quorum.~~

~~e. Meetings~~

~~This committee shall meet as often as required. Not fewer than two (2) Active Medical Staff members of the committee shall constitute a quorum.~~

Section 10. Pharmacy and Therapeutics Committee

a. Duties

The committee shall be responsible for the development and surveillance of all drug utilization policies and practices within Harris Health in order to assure optimum clinical results and a minimum potential for hazard. The committee shall assist in the formulation of broad professional policies, regarding the evaluation, appraisal, selection, procurement, storage, distribution, use, safety procedures and all other matters relating to drugs. It shall also perform the following specific functions:

1. Serve as an advisory group to the Medical Staff, hospital administration, ~~and the pharmacists-pharmacy leadership~~ on matters pertaining to the choice of available drugs;
2. Objectively and proactively review and approve pharmaceuticals for formulary based on safety, efficacy, and cost effectiveness; ~~Make recommendations concerning drugs to be stocked on the nursing units and by other services;~~
3. Maintain and manage pharmaceutical costs without compromising safety and efficacy; ~~Develop and review periodically a formulary for use within Harris Health;~~

4. Approve procedures that consider risk potential for error related to the ordering, storage, security, distribution, and administration of pharmaceuticals and other therapeutics; ~~Prevent unnecessary duplication in stocking drugs;~~
5. Develop, review, and maintain pharmacy-medication management policies; ~~Evaluate clinical data concerning new drugs or preparations requested for use within Harris Health;~~
- ~~5.6.~~ Approve evidence based utilization guidelines and protocols for standardization of practices; ~~Establish standards concerning the use and control of investigational drugs and of research in the use of recognized drugs;~~
- ~~6.7.~~ Review the medication formularies and therapeutic classes at least annually; ~~Periodically review drug reactions reports;~~
- ~~7.8.~~ Review standing orders, order sets, and protocols for safety and evidence-based guidelines; ~~Participate in quality assurance activities related to distribution, administration and use of medication;~~
9. Ensure safe and effective management of drug shortages and recalls through collaboration with key stakeholders and communication of management strategies; ~~Initiate or direct (or both) drug use evaluation programs and studies, review the results of such activities and make appropriate recommendations to optimize drug use; and~~
- ~~8.10.~~ Establish standards concerning the use and control of investigational medications and of research in the use of recognized medications; ~~Perform an annual review of all policies and procedures for consistency with current practice.~~
11. Evaluate appropriate medication use and make recommendations to optimize utilization; and.
12. Provide an annual report of P&T activity to the Medical Executive Board. ~~Report to the Medical Executive Board.~~

b. **Members**

~~Membership on the Pharmacy and Therapeutics Committee shall consist of the Executive Director of Pharmacy, at least six (6) members of the Active Medical Staff, and Chief Executive Officer or designee. Ex officio members shall be representatives from Nursing Administration and/or designee, clinical pharmacies and administration.~~

1. Chair and Co-chair – A physician from either University of Texas Health McGovern School of Medicine (“UT”) or Baylor College of Medicine (“BCM”) will ~~co~~ chair the committee. If the chair is from UT, then the Co-chair will be selected from BCM and vice visa.
2. Chair and Co-chair of each of the committees (P&T and its subcommittees) shall be designated by the P&T chair in collaboration with BT, LBJ and ACS chiefs of staff and/or Medical Executive Board Chair.
3. The Committee is comprised of a multidisciplinary team that includes staff representation from major clinical specialties, clinicians, pharmacy, finance, nursing, and administrative leadership.
4. Members will be required to complete a “Conflict of Interest” disclosure form and a “Non-Disclosure” Agreement annually and receive training on P&T process.

(a) Voting members

- (1) Chair and Co-chair of the Committee (2)
- (2) Chairs of the seven (7) subcommittees,
- (3) Chief Pharmacy Officer
- (4) Nursing (1) - CNE or designee
- (5) Pharmacy (1)

(b). Non-Voting Members

Non-voting members may be added by the chair as needed to provide information and guidance to the committee.

c. Meetings

The committee shall meet a minimum of ten times per year. ~~monthly and on call of the Chairperson.~~

~~The committee shall have the following subcommittees: Antimicrobial, Cardiovascular, Central Nervous System, Medication Use Safety Committee, General Formulary, Gastrointestinal and Clinical Nutrition, and Ambulatory Care Services, all of which shall report to the Harris Health Pharmacy & Therapeutics Committee.~~

Section 11. Professionalism and Well-Being Committee

a. Duties

The duties of the committee shall include the following:

1. Addressing Practitioner and APP professionalism and well-being;
2. Educating the Medical Staff and other Harris Health staff regarding illness and impairment recognition issues specific to Practitioners and APPs;
3. Encouraging self-reporting by Practitioners and APPs and referral by other members of the Medical Staff and Harris Health;
4. Evaluating the credibility of a complaint, allegation, or concern.
5. Determining the best avenue of referral to care for a Practitioner or APP;
6. Working confidentially with the Chiefs of Staff of Harris Health pavilions, the Medical Executive Board, Governing Body, and the State Board of Medical Examiners or other licensing boards with the procedure deadlines and reporting obligations set forth in the Corrective Action Procedures provided for in the Medical Staff Bylaws as indicated Article VIII.
7. Monitoring the progress of an affected Practitioner or APP until the rehabilitation process is complete.
8. Reporting to the appropriate Chief of Staff and the CEO, or their designees, instances when there is evidence that a Practitioner or APP represents a clear and imminent danger to self, others, or patients.

b. Members

The committee shall consist of at least five (5) members of the Active Medical Staff appointed by the Chair of the Medical Executive Board pursuant to Article XIV of these

c. Meetings

The committee shall meet monthly.

Section 13. Critical Care Committee

a. Duties

The committee shall perform ongoing patient care review and develop and/or approve policies for special care units.

b. Members

The committee shall consist of at least five (5) members of the Active Medical Staff appointed by the Chair of the Medical Executive Board pursuant to Article XIV of these Bylaws. The committee shall have equal representation from the University of Texas Medical School at Houston and Baylor College of Medicine and may also include physicians employed by Harris Health.

Ex-officio members shall include representatives from nursing services.

c. Meetings

The committee shall meet quarterly. Not fewer than two (2) Active Medical Staff members of the committee shall constitute a quorum.

Section 14. Utilization Review Committee

a. Duties

~~The committee will be charged with oversight of utilization of resources, coding and billing profiles, referral and consultation practices. Reports of studies shall be made to the administration, Chiefs of Service, the Medical Executive Board and the Governing Body.~~

~~Utilization review shall also be carried out by analysis of extended hospital stay. All patients whose stay is unduly prolonged as determined by hospital or regional norms will be reviewed by a Medical Staff member designated by the committee. Reviewers will be designated for Ben Taub Hospital and Quentin Mease Hospital campuses and the Lyndon B. Johnson Hospital campus. The committee will study the reports of the reviewers, make determinations for approval or disapproval of extended stays in questioned cases, and send reports to the Chiefs of Service, administration and the patient when required.~~

The committee shall formulate a written utilization review plan to conform to the elements of Titles XVIII and XIX of the Social Security Act for approval by the Medical Staff and Governing Body. It shall review and recommend revisions of the utilization review plan as necessary to maintain conformance with federal statutes.¹

The committee shall ~~report quarterly to the Performance Improvement Committee, Medical Executive Board, and Governing Body.~~report monthly to the Medical Executive Board and annually to the Quality Governance Council. Every two years the committee will report to the Board of Trustees Quality Committee for approval of the UR plan.

b. Members

The Utilization Review Committee shall consist of at least four (4) members of the Active Medical Staff, including the Chief Medical ~~Officer~~Executive, and Chief Executive Officer or designee. Representatives of the nursing services, medical records and administration shall be ex-officio members. The Chairperson shall be appointed by the Chairperson of the Medical Executive Board.

c. Meetings

The committee shall meet ~~bi~~monthly.

Section 15. Hospital Campus Committees

The following committees shall be established at the Ben Taub and ~~Quentin Mease Hospital campuses~~ and the Lyndon B. Johnson Hospital campus.

a. Medical Executive Committee

There shall be a Medical Executive Committee to serve the Ben Taub Hospital ~~and Quentin Mease Hospital campuses~~ and a Medical Executive Committee to serve the Lyndon B. Johnson Hospital campus. The Chief of Staff of the respective institutions shall serve as Chairperson of the Medical Executive Committee.

- (1) Membership on the Medical Executive Committee shall include the Chiefs of Services at each hospital.
- (2) The following individuals shall serve as ex-officio non-voting members of the Medical Executive Committee:
 - (a) The Chief Executive Officer;
 - (b) The Chief Nursing Executive;
 - (c) The Hospital Administrator; and
 - (d) The Hospital Chief Nursing Officer.
- (3) The duties of the Medical Executive Committee shall be:
 - (a) To represent and act on behalf of the Medical Staff, subject to such limitations as may be imposed by these Bylaws;
 - (b) To coordinate the activities and general policies of the various services within the hospital;
 - (c) To receive and act upon committee reports. All committee reports received by this committee shall be transmitted to the Medical Executive Board through the Chief of Staff;
 - (d) To implement policies of the Medical Staff not otherwise the responsibility of the services;
 - (e) To provide liaison between the Medical Staff and the appropriate ~~Senior Vice President of~~ members of Harris Health leadership.
 - (f) To recommend actions to the Governing Body through the Medical Executive Board;
 - (g) To fulfill the Medical Staff's accountability to the Governing Body through the Medical Executive Board for the medical care rendered to patients;
 - (h) To ensure that the Medical Staff is kept abreast of the accreditation status of Harris Health;
 - (i) To review periodically all information available regarding the performance and clinical competence of Medical Staff members, and as a result of such reviews, to make recommendations for appointments, renewals or changes in Clinical Privileges; and

- (j) To take reasonable steps to ensure professionally ethical conduct and competent clinical performance on the part of all members of the Medical Staff, including the initiation of and/or participation in Medical Staff corrective or review measures when warranted.
- (4) The Medical Executive Committee in each hospital shall meet monthly and submit a written report to the Medical Executive Board through the Chief of Staff.

b. Specific Hospital Campus Committees

The following committees shall be established at the Ben Taub Hospital/~~Quentin Mease Hospital~~ campuses and/or the Lyndon B. Johnson Hospital campus. ~~Hospital campus committees are not required to have equal representation from medical schools.~~ Membership will be appointed by the respective Chiefs of Staff. These committees will report to their respective Medical Executive Committees, who will report to the Medical Executive Board through the Chiefs of Staff. Each hospital specific committee shall report to the respective Medical Executive Committee.

(1) Operating Room Committee

The Operating Room Committee shall consist of at least four (4) members of the Active Medical Staff representing anesthesiology, the surgical services and the Director of Operative Services. It shall recommend to the Medical Executive Committee policies and procedures for the efficient use of the operating suite(s). It shall meet at least 6 times a year.

(2) Radiation Safety Committee

The Radiation Safety Committee shall consist of members of the Medical Staff and other personnel experienced in the use of radioisotopes to assure compliance with requirements of the Texas Department of State Health Services. It shall be responsible for evaluating all proposals for the use of radioisotopes within Harris Health. It shall meet quarterly and on call of the Chairperson. The committee shall:

- (a) Ensure that licensed material will be used safely. This includes review of training programs, equipment, facility, supplies, and procedures;
- (b) Ensure that licensed material is used in compliance with NRC regulations and the institutional license;
- (c) Ensure that the use of licensed material is consistent with the As Low As Reasonably Achievable (ALARA) philosophy and program;
- (d) Establish a table of investigational levels for individual occupational radiation exposures;
- (e) Recommend remedial action to correct any deficiencies identified in the radiation safety program;
- (f) Maintain written minutes of all committee meetings, including members in attendance and members absent, discussions, actions, recommendations, decisions, and numerical results of all notes taken;
- (g) Ensure that the byproduct material license is amended if required prior to any changes in facilities, equipment, policies, procedures, and personnel;
- (h) Membership must include one authorized user for each type of use authorized by the license, the Radiation Safety Officer (RSO), a representative of the nursing service, and administration; and

Screening mechanisms may be used to identify problems in blood usage for more intensive evaluation. Clinically valid criteria shall be used in the screening process and in the more intensive evaluation of any known or suspected problems in blood and blood component usage.

(5) Appointment of other committees

Other committees may be created as needed to direct, monitor, review and analyze hospital activities on a regular or ad hoc basis.

Article XV – AMBULATORY CARE SERVICES

Section 1. Organization

Ambulatory Care Services is organized to render outpatient medical services at clinical sites located both on and off Hospital campuses.

~~Ambulatory Care Services shall have a~~ The Ben Taub Hospital Campus and Lyndon B. Johnson Hospital Campus Chiefs of Staff ~~Chief of Staff who shall be~~ are responsible for the Medical Staff in Ambulatory Care Services (ACS) as described below. ~~CHPACS shall consist of two subdivisions, one representing the Department of Family and Community Medicine of Baylor College of Medicine and the other representing the Family Practice Department of~~ The University of Texas Health Science Center at Houston. An Assistant Chief of Staff shall be appointed for each of the two subdivisions in accordance with the respective medical school's affiliation agreement. Each Assistant Chief of Staff shall be responsible for medical care at the CHPACS locations affiliated with his or her medical school. The Assistant Chief of Staff representing the Department of Family and Community Medicine of Baylor College of Medicine shall report to the Chief of Staff for the Ben Taub Hospital Campus and the Assistant Chief of Staff representing the Family Practice Department of The University of Texas Health Science Center at Houston shall report to the Chief of Staff for the Lyndon B. Johnson Hospital Campus.

The program shall be organized into the following two components:

a. Specialty Clinics

Specialty Clinics may be on and/or off Hospital campuses.

~~For Specialty Clinics on a Hospital Campus, the Chief of Staff for the Hospital Campus on which the clinic is located shall be responsible for the Medical Staff.~~

~~For Specialty Clinics located off a Hospital campus, the Chief of Staff of Ambulatory Care Services shall be responsible for the Medical Staff, with the exception of Smith Clinic, where the Chief of Staff of Ben Taub Hospital shall be responsible for the Medical Staff.~~

b. Community Health Program

Community Health Program (“CHP”) ~~location~~ sites shall be designated by Harris Health and located at strategic points throughout the county. ~~The Chief of Staff of Ambulatory Care Services shall be responsible for the Medical Staff at the CHP locations.~~ CHP shall consist of two subdivisions, one representing the Department of

Family and Community Medicine of Baylor College of Medicine and the other representing the Family Practice Department of The University of Texas Health Science Center at Houston. An Assistant Chief of Staff shall be appointed for each of the two subdivisions. Each Assistant Chief shall be responsible for medical care at the CHP locations affiliated with his or her medical school. The Assistant Chief of Staff representing the Department of Family and Community Medicine of Baylor College of Medicine shall report to the Chief of Staff for the Ben Taub Hospital Campus and the Assistant Chief of Staff representing the Family Practice Department of the University of Texas Health Science Center at Houston shall report to the Chief of Staff for the Lyndon B. Johnson Hospital Campus.

Section 2. Functions of Chiefs of Staff/Assistant Chiefs of Staff

The Chiefs of Staff and Assistant Chiefs of Staff shall have the duties described in Article XII, Section 2.

Section 3. Committees

Committees shall be established in Ambulatory Care Services to meet functional and organizational needs.

a. Medical Executive Committee

There shall be a Medical Executive Committee to serve the Ambulatory Care Services; ~~to be chaired by the Chief of Staff of Ambulatory Care Services who~~ which reports to the Medical Executive Board.

The Medical Executive Committee shall be co-chaired by the Assistant Chiefs of Staff of Ambulatory Care Services.

Members of the Medical Executive Committee shall be composed of the Chiefs of Staff, the two Assistant Chiefs of Staff, the Medical Directors of the Community Health Program centers, the Medical Director of the Community Behavioral Health Program, the Director of the Dental Program, and the Director of the Podiatry Program.

The following individuals shall serve as ex-officio non-voting members of the Medical Executive Committee:

(a) The Chief Executive Officer;

~~(a)~~(b) The Chief Operating Officer;

~~(b)~~(c) The Chief Nursing Executive;

~~(c)~~(d) The Ambulatory Care Services Administrator; ~~and~~

(e) The Ambulatory Care Services Chief Nursing ~~isng~~ Officer; ~~and~~

~~(d)~~(f) The Ambulatory Care Services Chief Medical Officer.

(1) Duties: The duties of the Medical Executive Committee shall be the same as the Hospital Campus Medical Executive Committee, as described in Article XIV, Section 15(a)(3) of these Bylaws.

(2) The Medical Executive Committee shall meet monthly and submit a written report to the Medical Executive Board through the Assistant Chiefs of Staff.

b. Other Committees

Other committees may be created as needed to direct, monitor, review and analyze activities on a regular or ad hoc basis. Appointments to any such committees shall be made pursuant to Article XIV of the Bylaws.

ARTICLE XVI — MEDICAL STAFF MEETINGS

Section 1. Regular Meetings

Each member of the Active Medical Staff shall be expected to attend regular meetings of the Medical Staff.

The agenda at regular Medical Staff meetings shall be:

- a. Call to order;
- b. Acceptance of the minutes of the last regular and all special meetings;
- c. Communications;
- d. Reports of committees;
- e. Report from Administration, if applicable;
- f. Unfinished business;
- g. New business;
- h. Adjournment

~~The presence of not less than two (2) members of the Active Medical Staff members of a committee shall constitute a quorum.~~

Section 2. Annual Meetings

An Annual Medical Staff Meeting shall be held at least once a year.

Each member of the Active Medical Staff shall be expected to attend the annual meeting of the Medical Staff.

The agenda at the Annual Medical Staff Meeting shall be:

- a. Call to order;
- b. Acceptance of the minutes of the last regular and all special meetings;
- c. Review of clinical activities within Harris Health;
- d. Communications;
- e. Reports of committees;
- f. Report from the Chief Executive Officer;
- g. Unfinished business;
- h. New business (including elections, where appropriate);
- i. Adjournment

The presence of fifty (50) members of the Active Medical Staff, including adequate representation from the Medical Executive Board, shall constitute a quorum.

Section 3. Special Meetings

The Chairperson of the Medical Executive Board may call a special meeting of the Medical Staff at any time. He shall call a special meeting within thirty (30) days after receipt of a written request for a special meeting signed by not less than fifty (50) members of the Active Medical Staff stating the purpose of such meeting. The Chairperson of the Medical Executive Board shall designate the time and place of any special meeting.

Written or printed notice stating the place, day and hour of any special meeting of the Medical Staff shall be delivered, either personally, by mail or by electronic mail, to each member of the Active Medical Staff not less than seven (7) days before the date of the meeting, by or at the direction of the Chairperson of the Medical Executive Board. If mailed, the notice of the meeting shall be deemed delivered when deposited in mailing facilities, addressed to each staff member at his or her address as it appears on Harris Health records. If mailed electronically, the notice shall be deemed delivered upon transmittal to a member at his or her e-mail address as it appears on the records of Harris Health. The attendance of a member of the Medical Staff at a meeting shall constitute a waiver of notice of such meetings. No business shall be transacted at any special meeting except that stated in the notice calling the meeting.

The agenda at a special meeting shall be:

- a. Reading of the notice calling the meeting;
- b. Transaction of business for which the meeting was called; and
- c. Adjournment.

The presence of fifty (50) members of the Active Medical Staff, including adequate representation from the Medical Executive Board, shall constitute a quorum for any regular or special meeting of the Medical Staff.

ARTICLE XVII — MEETINGS OF COMMITTEES AND CLINICAL SERVICES

Section 1. — Regular Meetings

~~Committees may, by resolution, provide the time for holding regular meetings without notice other than such resolution. Clinical services shall hold monthly meetings to review and evaluate the clinical activities of Medical Staff members with privileges on the respective service in accordance with Article XIII.~~

Section 2. — Special Meeting

~~A special meeting of any committee or clinical service may be called by the chairperson or chief thereof, or at the request of the Chief of Staff, or one third of the respective group's current members, but not fewer than two (2) members.~~

Section 3. — Notice of Meetings

~~Written (including e-mail) or oral notice stating the place, day and hour of any meeting shall be given to each member of the committee or service not less than two (2) days prior to the meeting for oral notice and five (5) days for written notice, by the person or persons calling the meeting. If mailed, the notice of the meeting shall be deemed delivered when deposited in mailing facilities addressed to a member at his or her address as it appears on the records of Harris Health. E-mail notice shall be deemed delivered upon transmittal to a member at his or her e-mail address as it appears on the records of Harris Health. The attendance of a member at the meeting shall constitute a waiver of the requirement for notice of such meeting.~~

Section 4. — Quorum

~~Not fewer than two Active Medical Staff members of a committee shall constitute a quorum at any meeting. A quorum shall consist of those present and voting at each clinical service or subdivision meeting.~~

Section 5. — Manner of Action

~~The action of a majority of the members present at a meeting, at which a quorum is present, shall be the action of a committee or clinical service. Action may be taken without a meeting by a majority vote of those committee members who return an electronic ballot sent to all voting members of the committee.~~

Section 6. — Rights of Ex Officio Members

~~Persons serving under these Bylaws as ex officio members of committees shall have all rights and privileges of regular members except that they shall not hold office, shall not be counted in determining the existence of a quorum, and shall not vote.~~

Section 7. — Minutes

- ~~a. — Minutes of each regular and special meeting of a committee shall be prepared by Medical Staff Services and shall include a record of the attendance of members and the vote taken on each matter. The minutes shall be reviewed by the presiding officer and copies shall be distributed to the members of the committee for approval. Each committee shall maintain a permanent file of the minutes of each meeting.~~
- ~~b. — Each clinical service shall maintain in Medical Staff Services a permanent file of the records of each monthly meeting.~~

Section 8. — Attendance Requirements

- ~~a. — Each member of the Active Medical Staff shall be required to attend not less than fifty percent (50%) of all meetings of each clinical service to which he or she is appointed and which are held during periods when he or she is actively participating in patient care. The failure to meet the foregoing attendance requirements, unless excused by the Chief of Service for good cause shown, shall be grounds for corrective action.~~
- ~~b. — A Practitioner whose patient's clinical course is scheduled for discussion at a regular clinical service meeting or a clinical pathological conference shall be so notified and shall be expected to attend such meeting.~~
- ~~c. — Each member of the Active Medical Staff shall be required to attend not less than fifty percent (50%) percent of all meetings of each Harris Health Committee to which he or she is appointed and which are held during periods when he or she is actively participating in patient care. The failure to meet the foregoing attendance requirements, unless excused by the Committee Chairperson for good cause shown, shall be grounds for dismissal from the Committee.~~

ARTICLE XVIII— IMMUNITY FROM LIABILITY

The following shall be express conditions to any Medical Staff member's application for Clinical Privileges within Harris Health:

Condition 1.

Any act, communication, report, recommendation, or disclosure, with respect to any such Medical Staff member performed, or made in good faith and without malice, for the purpose of achieving and

maintaining quality patient care in this or any other health care facility, shall be privileged and immune from liability to the fullest extent permitted by law.

Condition 2.

All such privileges and immunities shall extend to members of Harris Health's Medical Staff and of its Governing Body, its other Practitioners, its Chief Executive Officer and his or her representatives, and to third parties who supply information to any of the foregoing authorized to receive, release, or act upon the same. For the purpose of this Article XVIII, the term "third parties" means both individuals and organizations who provide information to an authorized representative of the Governing Body or of the Medical Staff.

Condition 3.

There shall be, to the fullest extent permitted by law, absolute immunity from civil liability arising from any such act, communication, report, recommendation, or disclosure, even where the information involved would otherwise be deemed privileged.

Condition 4.

All such immunity shall apply to all acts, communications, reports, recommendations, or disclosures performed or made in connection with this or any other health care institution's activities, including, but not limited to:

- a. Applications for appointment or Clinical Privileges;
- b. Periodic reappraisals for reappointment or Clinical Privileges;
- c. Corrective action, including summary suspension;
- d. Hearings and appellate reviews;
- e. Medical care evaluations;
- f. Utilization reviews; and
- g. Other Harris Health, department, service or committee activities related to quality patient care and inter-professional conduct.

Condition 5.

The acts, communications, reports, recommendations and disclosures referred to in this Article XVIII may relate to a Medical Staff member's professional qualifications, ethics, or any other matter that might directly or indirectly have an effect on patient care.

Condition 6.

Each Medical Staff member shall, upon request of Harris Health, execute a release in favor of the entities identified in the Second paragraph of this Section and consistent with the provisions of this Article XVIII.

ARTICLE XIX — PERFORMANCE IMPROVEMENT

~~Medical Staff members shall participate in performance improvement activities as outlined in Harris Health Performance Improvement Plan. The Performance Improvement Plan is managed by the Medical Staff.~~

~~Harris Health Performance Improvement Committee is composed of appropriate representatives from the Medical Staff and Administrative staff. This committee meets monthly.~~

BOARD OF TRUSTEES

Joint Conference Committee

HARRISHEALTH
SYSTEM

Thursday, November 10, 2022

Cardiology Service Line Update

HARRISHEALTH SYSTEM

Cardiology Service Line

Amineh Kostov, Vice President, System Service Lines

Board of Trustees Joint Conference Committee

November 10, 2022

Cardiology Service Line About

- Three physician leaders who guide the service line: Dr. Waleed Kayani (BCM), Dr. Enrique Garcia-Sayan (UT), and Dr. Tarif Khair (UT)
- Standing members are from multiple disciplines and include: nursing, operations, quality, case management, virtual care, and Primary Care
- Engage other areas as appropriate for subject matter
- Monthly scorecard with agreed upon measures for quality, access and volumes

Cardiology Service Line Accomplishments

- Developed Algorithm for Management of Pericardial Effusion
- Created E-Consult for Cardiac Risk Assessment for low risk procedures to decrease demand on Pre-Op Anesthesia clinic (partnership with GI Service Line)
- Incorporated new ACC/AHA guidelines for stent utilization

Cardiology Service Line Accomplishments

- In collaboration with Transfer Center and ECs, developed Acute Coronary Syndrome (STEMI) Triage and Transfer Algorithm for LBJ Hospital patients to expedite care, and to reduce the time it takes for identified patients to arrive at Ben Taub Hospital

Cardiology Service Line Focus Areas

- Kicked off subgroups in October for outpatient management of heart failure patients, and high risk lipid patients
- Identifying a system solution for continuous event monitoring
- Implementing subspecialty scheduling at outpatient Cardiology Clinics

Thursday, November 10, 2022

Harris Health System Report on the Status of Research

Attached for your review and discussion is the twelve-month annual report identifying affiliated research conducted at or in conjunction with the Harris Health System. This report is being presented for informational purposes only.

Thank you.

Steven Brass, MD, MPH
Executive Vice President and
Chief Medical Executive

Esmail Porsa, MD
President and Chief Executive Officer



HARRIS HEALTH SYSTEM

JOINT CONFERENCE COMMITTEE

Research & Sponsored Programs

November 10, 2022

Report on the Status of Human Subjects Research in Harris Health System

An annual report is provided to the Joint Conference Committee identifying affiliated human subjects research conducted at or in conjunction with Harris Health System.

Active Human Subjects Research

As of September 1, 2022, 652 approved affiliated human subjects research protocols were being conducted within Harris Health System (623 approved protocols on September 1, 2021). Of the approved protocols:

- 437 (67%) were conducted by Baylor College of Medicine faculty
- 140 (22%) were conducted by UTHealth faculty
- 74 (11%) were conducted by MD Anderson Cancer Center faculty

There are currently 67 approved COVID-19 protocols being conducted within Harris Health System (65 approved COVID-19 protocols on September 1, 2021). Protocol details are available as a separate document.

To date in 2022, an average of 12 new research protocols have been submitted each month for Harris Health administrative approval. Currently, the top 2 research areas at Harris Health are oncology and infectious disease/HIV. Protocol details are available as a separate document.

Indirect Cost Recovery

Harris Health has received the following indirect costs recovery associated with human subjects research performed at Harris Health facilities:

- \$252,900 from Baylor College of Medicine from August 1, 2021 through July 31, 2022
- \$79,948 from UTHealth for March 1, 2021 through February 28, 2022
- \$2,165 from MD Anderson Cancer Center for September 1, 2021 through August 31, 2022
 - The majority of studies conducted at Harris Health facilities by MD Anderson Cancer Center faculty are funded by cooperative groups (e.g. Southwest Oncology Group, Gynecologic Oncology Group). These studies are minimally funded and no indirect costs are paid.

Research Publications/Presentations

Amos Nwankwo GN, Kook M, Goetz AR, Campos JMA, Cepeda SL, Hana LM, Storch EA, et al. (2021) Characterizing the psychological distress of treatment-seeking youth and adults impacted by Hurricane Harvey. *Psychiatry Research Communications*, 1(1), 100008. doi:<https://doi.org/10.1016/j.psychom.2021.100008> (Baylor College of Medicine)

Grotta JC, Yamal JM, Parker SA, Persse D, et al. Prospective, multicenter, controlled trial of mobile stroke units. *N Engl J Med* 2021; 385:971-981. DOI: 10.1056/NEJMoa2103879 (Baylor College of Medicine)

Korley FK, Durkalski-Mauldin V, Yeatts SD, et al. Early convalescent plasma for high-risk outpatients with COVID-19. DOI: 10.1056/NEJMoa2103784 (Baylor College of Medicine)

Schutz A, Zhang Q, Ghanta R, et al. Del Nido cardioplegia in coronary surgery: a propensity-matched analysis. *Interact Cardiovasc Thorac Surg* 2020; May 1;30(5):699-705 (Baylor College of Medicine)

Barrows, C., Wu, D., Farach-Carson, M.C., and Young, S. Building a functional salivary gland for cell-based therapy: more than secretory epithelial acini tissue engineering, part A. 2020. PMID: 32829674 (UTHealth)

Barrows, C.M.L., Wu, D., Smith Callahan, L., Young, S. and Farach-Carson, M.C. Neurointegration of assembling human salivary stem/progenitor cells assists neotissue formation. International Association of Dental Research General Session, June 21-24, 2021, Boston, MA (UTHealth)

Barrows, C.M.L., Wu, D., Smith Callahan, L., Young, S. and Farach-Carson, M.C. Tissue engineering strategies to develop a 3D innervated salivary gland avatar. 3rd Biennial Patricia Levy Zusman International Workshop on Neuroregeneration Symposium. March 4-5, 2021. Houston, TX (UTHealth)

Santa Maria D, Lightfoot M, Nyamathi A, Businelle M, Paul M, Quadri Y, Padhye N, Jones J, Calvo Armijo M. A nurse case management HIV prevention intervention (Come As You Are) for youth experiencing homelessness: protocol for a randomized wait-list controlled trial. *JMIR Res Protoc*. 2021 May 21;10(5):e26716. doi: 10.2196/26716. PMID: 34018967; PMCID: PMC8178739. (UTHealth)

Mousavi, S. Zarrin-Khameh, N. Improving accuracy of serrated colon polyp designation. *Medical Research Archives*. Nov. 2019 v. 7, n. 11. (Baylor College of Medicine)

Spezia-Linder N, Montealegre JR, Daheri M, Harris SL, Muldrew KL and Suarez G. Use of fecal immunochemical testing in acute patient care in a safety net hospital system. *J Clin Outcomes Management*, 2021;28(2):82-89. (Baylor College of Medicine)

Stafford IA, Hummel K, Dunn JJ, Muldrew KL, Berra A, Kravitz ES, Gogia S, Martin I and Munson E. A retrospective analysis of infection and antimicrobial resistance patterns of *Mycoplasma genitalium* among pregnant women in the southwestern United States. *BMJ Open*, 2021;11:e050475. (Baylor College of Medicine)

Ortigoza MB, Yoon H, Goldfeld KS, et al. Efficacy and safety of COVID-19 convalescent plasma in hospitalized patients: a randomized clinical trial. *JAMA Intern Med* 2022; 182(2): 115-126. Published online December 13, 21. doi:10.1001/jamainternmed.2021.6850 (Eldin KW listed in CONTAIN COVID-19 Consortium Authors). (Baylor College of Medicine)

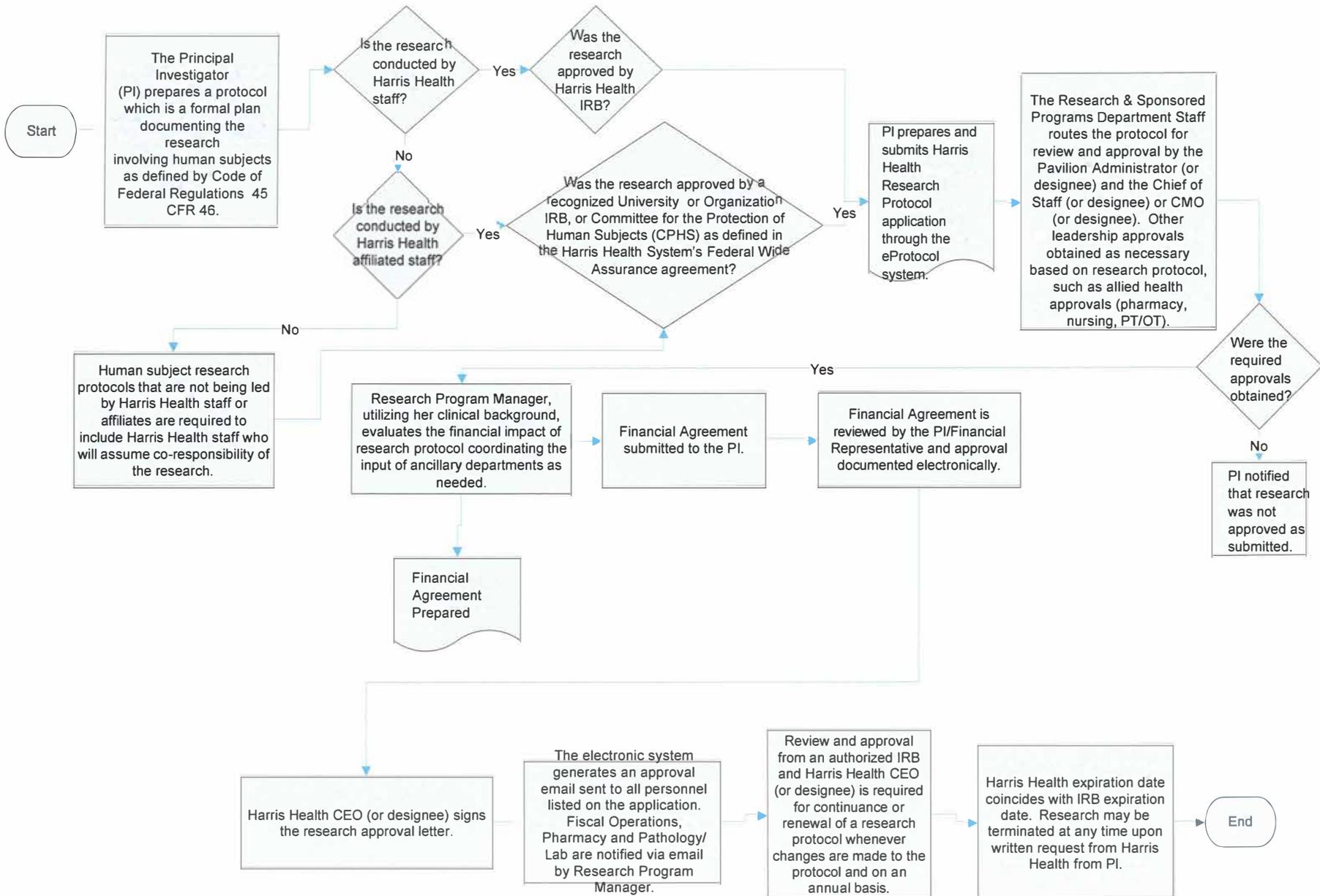
Hansen MA, Valentine-King M, Zoorob R, Schlueter M, et al. Prevalence and predictors of urine culture contamination in primary care: a cross-sectional study. *International Journal of Nursing Studies* 134 (2022); <https://doi.org/10.1016/j.ijnurstu.2022.104325>. (Baylor College of Medicine)

Chen, MY, Zarrin-Khameh, N, Xu, Y. Fine needle aspiration of pancreatic lesions focusing on secondary tumors with emphasis of metastatic breast cancer: A clinicopathological study with follow-up. *Cancer Med*. 2022; 00: 1- 9. doi: 10.1002/cam4.5374. (Baylor College of Medicine)

This report is being presented for informational purposes only.

Thank you,
Julie Thompson, Ph.D.
Administrative Director
Research & Sponsored Programs

Administrative Research Approval Process for New Submissions





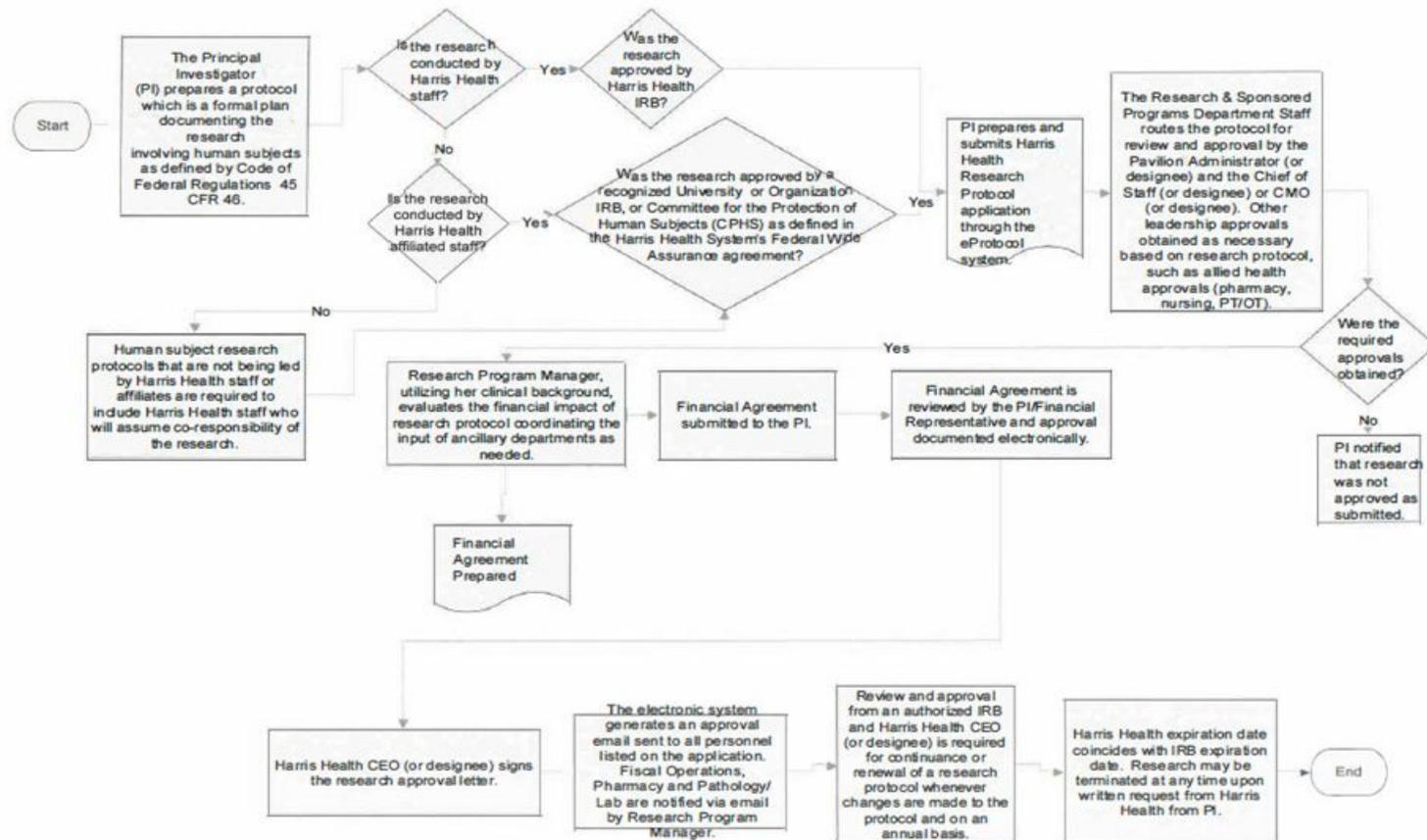
Annual Research Report

Research & Sponsored Programs Department

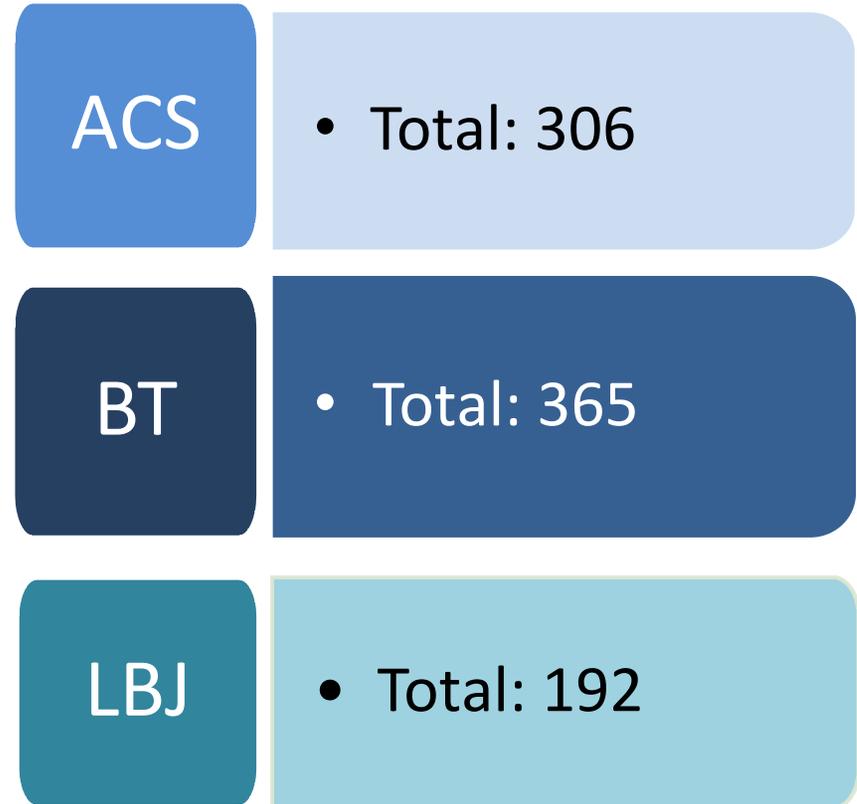
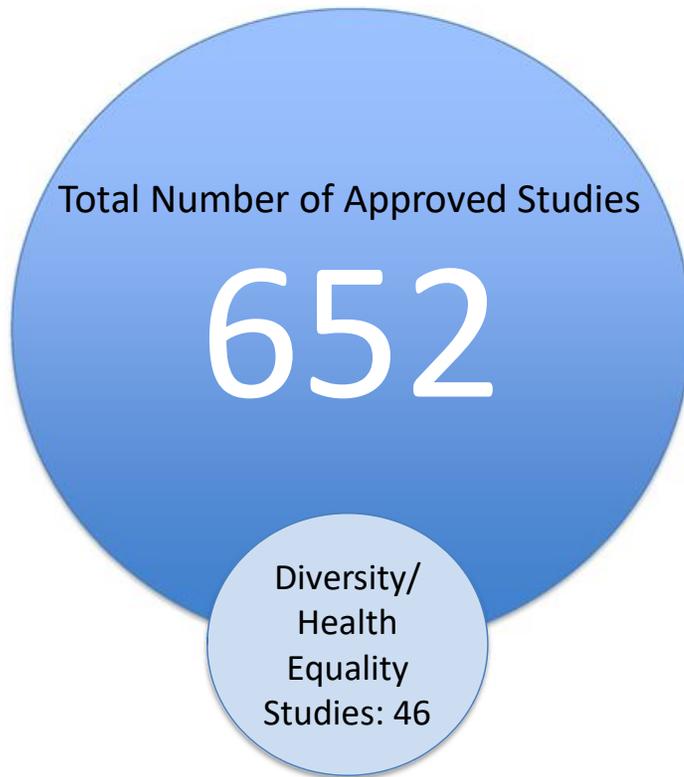
November 10, 2022

HARRISHEALTH SYSTEM

Administrative Research Approval Process for New Submissions



Volume of Currently Approved Research Studies



Individual studies may be conducted at more than one pavilion.

*Data from 9-1-2022 monthly pavilion reports

Come as You Are-Assessing the Efficacy of a Nurse Case Management HIV Prevention and Care Intervention among Homeless Youth

Youth experiencing homelessness are



- More likely than housed youth to experience premature death, suicide, drug overdose, pregnancy, substance use, and mental illness.
- 6 to 12 times more likely to become infected with HIV than housed youth, with HIV prevalence as high as 16%, many do not access the prevention services they need.
- Interested in health promotion programs, can be recruited and retained in interventions and research studies, and demonstrate improved outcomes when programs are tailored and relevant to them.

Study aim: To compare the efficacy of a nurse case management HIV prevention and care intervention with that of usual care among youth experiencing homelessness aged 16 to 25 years.



Diane Santa Maria, DrPH, MSN, RN
Dean, Cizik School of Nursing, UTHealth

Prospective, Multicenter, Controlled Trial of Mobile Stroke Units

When treated via a mobile stroke unit compared to standard management by EMS, patients:

- Received clot-busting medications such as tissue plasminogen activator (tPA) faster
- Received medication more often
- Recovered significantly better
- Receiving tPA within 1st hour after onset of stroke symptoms is critical to improving patient outcome

COMPLETED



Psychological Distress of Youth & Adults Impacted by Hurricane Harvey

Baylor
College of
Medicine

- Youth and adults reported elevated depressive and anxiety symptoms up to 30 months after Hurricane Harvey
- Greater disaster impact was associated with more depressive and anxiety symptoms in adults but not youth
- Impact of natural disasters may persist longer than anticipated in individuals whose symptoms do not decline in the 1st year after natural disaster



COMPLETED

Projects for 2023

- Audit of Clinical Trial Billing Process
- Epic Research Module: Go Live Date: **2-13-23**
- Diversity, Equity, and Inclusion:
 - Review of services & systems

BOARD OF TRUSTEES

Budget and Finance Committee

Thursday, November 10, 2022
9:00 A.M.

BOARD ROOM
4800 Fournace Place, Bellaire, Texas 77401

The meeting may be viewed online at: <http://harrishealthtx.swagit.com/live>

Notice: Some Board Members may participate by videoconference.

Mission

Harris Health is a community-focused academic healthcare system dedicated to improving the health of those most in need in Harris County through quality care delivery, coordination of care, and education.

AGENDA

- | | |
|--|-----------------------------------|
| I. Call to Order and Record of Attendance | Mr. Lawrence Finder 1 min |
| II. Approval of the Minutes of Previous Meeting | Mr. Lawrence Finder 2 min |
| • Budget and Finance Committee Meeting – August 11, 2022 | |
| III. Financial Matters | Mr. Lawrence Finder 40 min |
| A. Consideration of Approval of Subsidy Payments to Community Health Choice, Inc. for the Health Insurance Marketplace Non-Federal Premium Payments for Eligible Harris Health Patients for Calendar Year 2023 – Ms. Victoria Nikitin | <i>(10 min)</i> |
| B. Consideration of Acceptance of the Harris Health System September 2022 Financial Report Subject to Audit – Ms. Victoria Nikitin | <i>(10 min)</i> |
| C. Consideration of Acceptance of the Harris Health System Second Quarter Stub Year 2022 Investment Report – Ms. Victoria Nikitin | <i>(10 min)</i> |
| D. Consideration of Acceptance of the Harris Health System Third Quarter Calendar Year 2022 Pension Plan Report – Ms. Victoria Nikitin | <i>(10 min)</i> |

-
- IV. Executive Session** **Mr. Lawrence Finder 10 min**
- A.** Discussion Regarding the 2023 Operating Budget for Community Health Choice Texas, Inc. and Community Health Choice, Inc.; and Review of the 2022 Financial Performance for the Nine Months Ending September 30, 2022, Pursuant to Tex. Gov't Code Ann. §551.085 and Tex. Gov't Code Ann. §551.071, Including Consideration of Approval of the 2023 Operating Budget for Community Health Choice Texas, Inc. and Community Health Choice, Inc. Upon Return to Open Session
– *Ms. Lisa Wright, CEO and Ms. Anna Mateja, CFO, Community Health Choice*
- V. Reconvene** **Mr. Lawrence Finder 1 min**
- VI. Adjournment** **Mr. Lawrence Finder 1 min**

HARRIS HEALTH SYSTEM
MINUTES OF THE BOARD OF TRUSTEES
BUDGET & FINANCE COMMITTEE MEETING
Thursday, August 11, 2022
9:00 AM

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
I. Call to Order and Record of Attendance	<p>Mr. Lawrence Finder, Chair, called the meeting to order at 9:01 a.m. It was noted there was a quorum present and the attendance was recorded. Mr. Finder announced that while some board members are in the room, others will participate by videoconference as permissible by state law and the Harris Health Videoconferencing Policy. Only participants scheduled to speak have been provided dial in information for the meeting. All others who wish to view the meeting may access the meeting online through the Harris Health website: http://harrishealthtx.swagit.com/live.</p>	
II. Approval of the Minutes of Previous Meeting Budget and Finance Committee Meeting – May 12, 2022		<p>Moved by Dr. Ewan Johnson, seconded by Ms. Jennifer Tijerina, and unanimously approved the minutes of the previous meeting.</p>
III. Building and Properties		
A. Update Regarding Harris Health’s Capital Program Overview	<p>Mr. David Attard, Senior Vice President, Facilities, Construction and System Engineering, delivered an update regarding Harris Health’s Capital Program Overview. He noted the following corrections to the funds related to Category 1 A/B/C which were listed on the executive summary page: <i>Asset refresh and modernization for infrastructure, information technology, and medical equipment continues to be a focus for Harris Health as indicated by the funding within Category 1 A/B/C (\$13.33M) and 2A (\$29.78M) projects; category definitions are provided on the associated slides for each commodity noted.</i></p> <p>Mr. Attard reported that Harris Health’s fiscal year (FY) 2022 stub year capital budget was approved at \$133M. He also reported that the year-to-date (YTD) capital funding obligations fell below the total budgeted amount of \$121M.</p>	

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	<p>Mr. Attard presented the comparative capital allocation for FY 19-22 Stub year including key categories, the current year-to-date (YTD) distribution of capital projects and related costs by strategic goals, capital category, and priority. Dr. Bracey inquired how Harris Health compares to other like-entities as it relates to total reinvestments. Mr. Attard stated that Harris Health has been really good over the past five (5) years at obligating 125% of its depreciation or more towards reinvesting in its facilities. Director Barbie Robinson inquired how Harris Health compares to comparable safety net health systems in terms of its budget. Mr. Attard stated that he collaborate with the Finance team on the budget to further identify specifically how Harris Health compares to other like-organizations. He touched upon the highlighted projects related to facilities, infrastructure, medical equipment, and information technology (IT), as well as associated costs. Mr. Attard noted a correction to slide 6 (six) of the presentation related to FY22 Stub YTD distribution for IT; reporting a total project cost of \$18.4M and total number of projects at 46. A copy of the presentation is available in the permanent record.</p>	
<p>B. Consideration of Approval to Amend the Lease with Petereit Investments for the Squatty Lyons Health Center Located at 1712 First Street, Humble, Texas 77338</p>		<p>Moved by Dr. Ewan Johnson, seconded by Ms. Alicia Reyes, and unanimously accepted that the committee recommends that the Board approve item III.B.</p>
<p>IV. Financial Matters</p>		
<p>A. Consideration of Acceptance of the Harris Health System May 2022 Quarterly Financial Report Subject to Audit</p>	<p>Ms. Victoria Nikitin, Executive Vice President & Chief Financial Officer (CFO), led the discussion regarding the Harris Health System May 2022 Quarterly Financial Report Subject to Audit. She stated that no ad valorem tax revenue will be recognized during the stub period of March 2022 to September 2022. She shared that net patient revenue was \$21.8M less than planned primarily due to patient volumes being lower than budget and Health Resources and Services Administration (HRSA) ending the COVID-19 Uninsured Program in March. Ms. Nikitin noted that the total operating expense of \$594.1M were \$6.4M or 1.2% less than budget.</p>	<p>Moved by Dr. Ewan Johnson, seconded by Ms. Jennifer Tijerina, and unanimously accepted that the committee recommends that the Board approve item IV.A.</p>

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	<p>The Committee discussed the hospital’s Case Mix Index (CMI) as well as length of stay. Mr. Louis Smith, Senior Executive Vice President & Chief Operating Officer, shared that Harris Health has experienced fluctuation of the case-mix index which is primarily attributed to the COVID-19 pandemic. Additionally, Mr. Smith stated that there are several activities centered on length of stay and that he would be glad to bring back more information for further discussion. Director Barbie Robinson requested a CMI report indicating the type of entities which Harris Health is benchmarking against whether similarly situated safety net system, teaching hospitals, or private hospitals. A copy of the financial report is available in the permanent record.</p>	
<p>B. Consideration of Acceptance of the Harris Health System First Quarter Fiscal 2022 Investment Report</p>	<p>Ms. Nikitin presented the Harris Health System First Quarter Fiscal 2022 Investment Report. She shared that Harris Health’s investments fluctuate based upon cash available in the general funds. She stated that the investment balances are typically highest during February and is at its lowest during the month of November. The investment report is available in the permanent record.</p>	<p>Moved by Dr. Ewan Johnson, seconded by Ms. Jennifer Tijerina, and unanimously accepted that the committee recommends that the Board approve item IV.B.</p>
<p>C. Consideration of Acceptance of the Harris Health System Second Quarter Calendar Year 2022 Pension Plan Report</p>	<p>Ms. Nikitin presented the Harris Health System Second Quarter Calendar Year 2022 Pension Report. She shared that Harris Health has sustained losses because the market was unstable. The market value of the Plan assets decreased \$102.7M this quarter and \$157.4M since the beginning of the calendar year. Investment return was -11.4% for the quarter ended June 30, 2022, due to various market conditions however, Ms. Nikitin assured the Committee that there were no areas of concern at this time. A copy of the Pension Plan report is available in the permanent record.</p>	<p>Moved by Dr. Ewan Johnson, seconded by Ms. Jennifer Tijerina, and unanimously accepted that the committee recommends that the Board approve item IV.C.</p>

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
<p>D. Discussion and Possible Recommendation for Action Regarding Harris Health System’s Proposed Updated Fiscal Year 2023 Budget and Tax Rate</p>	<p>Dr. Esmail Porsa, President & Chief Executive Officer, led the discussion regarding Harris Health System’s Proposed Updated Fiscal Year 2023 Budget and Tax Rate. Dr. Porsa shared the following remarks:</p> <p>Fact: Margin: Revenue minus cost (expense). Costs include labor and non-labor expenses. Revenues include: (1) Ad Valorem Tax Support (just a bit over one third of our total revenue), (2) Medicaid supplemental payments (also about a third of our total revenue), (3) Net Patient Revenues including governmental reimbursement, commercial insurance payers, grants and self-pay, and (4) Other revenues.</p> <p>Fact: Our costs have dramatically increased</p> <ol style="list-style-type: none"> 1. Cost of health care has continued to increase over the past two years ahead of the general inflation. This has been due to increased cost of labor, services, equipment and materials. <ol style="list-style-type: none"> a. Fact: The inflation that has been the topic of intense discussion in the media over the past few months has been a reality for health care systems for more than two years. Adding to this inflationary pressure is labor shortages that have resulted from the mass exit of our health care staff, especially our nurses due to burn out, retirement and lucrative agency nursing contracts. This concept is rapidly expanding to other areas of health care including social work and case management as well as radiology and surgery techs. Over the past 12 months, U.S. inflation has topped 8%. b. Fact: Non-labor cost of health care is also continuing to increase. COVID related closure of factories and continued supply chain issues contribute to the increased cost of materials, services and equipment that were previously in ample supply <p>Fact: State of Texas has the highest percentage and number of uninsured adults in the US. Harris County has the highest number of uninsured adults in Texas. Not surprisingly and directly because of our statutory mandate, the majority of Harris Health System (HHS) patients are either indigent (51%) or on Medicaid/CHIP (22%). As a result, driving volume at Harris Health System does not equate to driving revenue. In a hospital district, more volume simply equates to more cost.</p>	<p>As Presented.</p>

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	<p>Harris Health strives to increase volumes not to increase revenue but to fulfill our statutory obligation of providing access to care to those who would otherwise have no access. There are currently close to 1 million uninsured adults in Harris County many of whom continue to go without access to ongoing care including primary and preventive care. This population normally interacts with hospital districts such as Harris Health at much more advanced stages of disease incurring much higher cost of care than they would otherwise. A major emphasis in our Strategic Plan is to increase timely access to primary and specialty care services to address this issue. These investments in the health of our communities will result in additional costs.</p> <p>Fact: Our revenues have dramatically declined</p> <ul style="list-style-type: none"> c. Fact: over the past two years and due to the global pandemic, hospital districts including Harris Health System received significant funding from the Federal Government in the form of CARES Act and HRSA reimbursement for the care of COVID-19 patients. While Harris Health System continues to care for a significant number of COVID-19 patients, we are no longer receiving funding from CARES Act or HRSA. The total amount of patient care reimbursement that we received from both sources was a little over \$250 million. For the same period, we provided over \$300 million worth of care to COVID patients d. Fact: over the past three years, Harris Health System’s effective tax rate has been cut twice resulting in an annual net revenue reduction of close to \$50 million. This deficit will never be replaced. At most, we can ask for increased tax support from a much lower starting point resulting in substantially smaller revenues if our tax rate had not decreased. e. Fact: Harris Health System does not and cannot selectively compete for business from patients with private insurance for several reasons. First and foremost, this is contrary to our statutory obligation of caring for those with no other access to care. Also, we have no additional capacity in any of our care areas to pursue such a strategy. There is currently long wait lists and wait times for access to care in our system among those for whom we are the only provider of care. 	

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	<p>Fact: Harris Health System plays a significant role in the medical health, mental health as well as financial health of our communities.</p> <ul style="list-style-type: none"> a. While true to our statutory obligation, we strive to provide access to health care to those with no other options, our doors are open to the community at large regardless of payor status. We are one of only two adult level I trauma hospitals serving the 4th largest county and third most populous city in the United States. b. We are one of only 8 Comprehensive Level 1 stroke centers in Harris County. c. We are the busiest level III trauma center in Texas. d. We are the major teaching hospitals to UT and BCM where more than 50% of all physician currently practicing in our communities have completed their training. e. We are a major teaching hospital for nursing with partnership with more than 40 different nursing programs offering training for nurses obtaining RN degrees, Masters or doctorate degrees in nursing practice as well as those wanting to specialize in areas such as operating room, intensive care and dialysis. f. We are the only hospital based teaching site for Diagnostic Medical Imaging in Harris County. g. Last year, HHS provided training to 602 fellows, 2036 residents, 1196 medical students and 177 dental students. Additionally, HHS trained 123 physician assistant students and 200 nurse residents. h. In FY 22, we provided 147,496 ER visits and performed 18,207 inpatient and outpatient surgeries and more than 1.6 million Outpatient visits. i. Harris Health System employs more than 9,300 employees <p>As our costs have increased and our revenues declined, Harris Health System is currently facing a significant gap in our operational budget. I am confident that with diligent work of our front line staff and leaders we will be able to close the existing gap through reducing cost related to contract labor and non-clinical labor expenses in some areas as well as non-labor expenses and delaying some of our strategic initiatives aimed at improving access to care. It should be made clear that these endeavors will only provide a transient relief to our budgetary pressures and will not be available to us in the coming years.</p>	

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	<p>A direct result of these actions will be an inevitable delay in expansion of access to care that will surely lead to additional costs in the following fiscal years and delayed care to some of the most vulnerable segments of our population. Lives and livelihoods will most certainly be negatively impacted if we don't act now.</p> <p>If not provided with additional financial support and only as a last resort if faced with no other option to prevent a negative margin scenario which is imperative for us as we look into potential bond support in the near future to address our crumbling infrastructure, Harris Health System will be placed in the very difficult position of deciding between a very bad and a worse option of either delaying or reducing services in FY24. This action will not only have a devastating impact on the health of the most vulnerable members of our community that rely on Harris Health System as their only access to health care, but a global negative impact on access to health care across Harris County. Health care capacity in Harris County and City of Houston is a zero sum situation. When one emergency room closes, other emergency rooms in the area become overcrowded and less able to provide timely, high quality health care. When one birthing center closes, other birthing centers are overwhelmed with lack of capacity. When one health care system stops or delays providing preventive health care, the entire population suffers. COVID-19 pandemic was a great example of this. If not for the presence of the Harris Health System as the public health provider for the county, our regional hospital bed capacity situations would have more closely resembled what happened in Italy and in New York during the early days of COVID pandemic. It took the entire health care delivery system of Harris County including the Harris Health System as the public health system to successfully navigate the COVID-19 storm.</p> <p>Ms. Nikitin provided a high-level overview of the FY2023 budget revisions. She reported a combined operating income (loss) including strategic initiatives of approximately \$90M. She mentioned that the FY2023 budget accounted for a 2% positive margin, however, Harris Health is sitting at a negative 2% margin or \$45M loss. Ms. Nikitin stated that \$90M operating income is comprised of: 1) \$62M attributed to Harris Health's expense growth and 2) \$28M related to Harris Health's strategic project initiatives. She noted that there was an adjustment of \$6.2M reduction to original FY2023 planning budget attributed to the ad valorem</p>	

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	<p>tax, Medicaid supplement payments and other revenue. Ms. Nikitin reported market adjustments originally projected at \$2.3M for FY2023 have been revised upward based on current market surveys to reflect a total need of \$16.1M. The result is an increase of \$13.8 million over original estimates included in the FY2023 planning budget. Ms. Nikitin noted a change to the paid holiday conversion which extends premiums paid to eligible staff working during the holidays, from three (3) to nine (9) paid holidays contributes to an additional \$2.1M to salary expense in the updated budget. She shared that the planned retention bonus payments totaling \$21M for year two of the program were included as part of the original FY 2023 planning budget. These payments remain in the updated FY2023 budget representing an increase of \$5M over current run rate. This is due to the expanded payments earned in year two of the program at \$3,000 and \$5,000. Contract labor has increased significantly since the original FY2023 planning budget was developed at a current run rate of \$9M per month versus an average of \$5M per month in FY 2022. Ms. Nikitin noted that this reflects the most significant addition to the updated FY2023 budget at approximately \$40M annually. Mitigation strategies have been deployed throughout the organization to reduce this expense although recruitment and retention challenges continue to dictate its continued use. As it relates to non-labor operating expenses, physician services were revised upward based on the most current staffing plans, resulting in an additional \$17.4M in expenses over and above the original FY2023 planning budget. The marketplace premium subsidy program currently subsidizes the individual premiums for approximately 24,000 individuals. The announced non-renewal of the enhanced subsidies associated with the Public Health Emergency is projected to increase costs by \$8.9M in FY2023. However, at this time, the final decision is pending in the United States Congress. Ms. Nikitin stated that supplies, depreciation and interest and other purchased services are currently tracing less than originally projected in January helping to offset the various increases previously mentioned. She reported a \$28M increase from the FY2023 planning budget related to Harris Health strategic initiatives. Strategic initiatives in support of Harris Health’s strategic plan reflect the operational priorities over the next five (5) years. Ms. Nikitin noted that Pillar 5: initiatives related to LBJ infrastructure include only the operating cost associated with completing the Facility Master Plan. Additional cost associated with operating a new, expanded facility is not expected to be incurred until FY 2028. Ms. Nikitin touched upon the revised</p>	

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	<p>FY2023 proposed budget, reporting a combined total margin of 1.9% loss and a combined operating income loss of \$44.8M. She reported a projected combined operating income loss of \$149M and 6.4% loss for fiscal 2023 – 2027. Ms. Nikitin provided an overview of the comparative tax rates, credit ratings and day’s cash on hand for various Texas hospital districts including Dallas, Bexar, El Paso and Tarrant counties. Dr. Johnson inquired how our taxpayers know that Harris Health is managing the funds well. Dr. Porsa emphasized the various accolades and awards that the organization has received. He shared that Harris Health has continuously been recognized by the American Heart Association, Stroke Association, and more recently recognized as the recipient of the Gage Award for Population Health. Additionally, Dr. Porsa quoted an article that referenced Harris Health for providing the highest percentage and number of indigent care in Harris County. He shared that Harris Health received exceptionally high rankings for providing high-quality and patient safety of care. Dr. Porsa emphasized that Harris Health is not a hospital or healthcare of last result, but instead a hospital or healthcare of choice. Discussion ensued regarding the tax rate and tax levy per uninsured resident. Professor Marcia Johnson inquired what is the plan to bridge the gap, should Harris Health not receive the support of Harris County and the community. Ms. Nikitin explained that closing the gap would result in reviewing contract labor, benchmarking efforts, and delaying strategic projects to meet a break-even margin. Dr. Porsa stressed that as a last result, with these implications considered, Harris Health will be forced to delay and reduce services. A copy of the presentation is available in the permanent record.</p>	
<p>V. Adjournment</p>	<p>Moved by Mr. Finder, seconded by Dr. Ewan Johnson, and unanimously approved to adjourn the meeting. There being no further business, the meeting adjourned at 10:30 a.m.</p>	

I certify that the foregoing are the Minutes of the Meeting of the Budget and Finance Committee of the Board of Trustees of the Harris Health System held on August 11, 2022.

Respectfully submitted,

Lawrence Finder, Chair

Recorded by Cherry Pierson

Thursday, August 11, 2022

Harris Health System Board of Trustees Board Meeting – Budget and Finance Committee Attendance

Note: For Zoom meeting attendance, if you joined as a group and would like to be counted as present, please submit an email to: BoardofTrustees@harrishealth.org before close of business the day of the meeting.

BUDGET & FINANCE BOARD MEMBERS PRESENT	BUDGET & FINANCE BOARD MEMBERS ABSENT	OTHER BOARD MEMBERS PRESENT
Dr. Arthur Bracey (Ex-Officio)	Ms. Mia Mends	Ms. Alicia Reyes
Dr. Ewan Johnson		Ms. Jennifer Tijerina
Mr. Lawrence Finder		Ms. Barbie Robinson
Ms. Marcia Johnson		

EXECUTIVE LEADERSHIP
Ms.Carolynn Jones, Executive Vice President & Chief Compliance and Risk Officer
Mr. David Attard, Senior Vice President, Facilities, Construction and System Engineering
Dr. Esmaeil Porsa, President & Chief Executive Officer
Dr. Glorimar Medina-Rivera, Executive Vice President, Ben Taub Hospital
Dr. Jackie Brock, Executive Vice President & Chief Nursing Executive
Dr. Jennifer Small, Executive Vice President, Ambulatory Care Services
Mr. Louis Smith, Senior Executive Vice President & Chief Operating Officer
Ms. Maria Cowles, Senior Vice President, Chief of Staff
Dr. Matasha Russell, Chief Medical Officer, Ambulatory Care Services
Ms. Olga Rodriguez, Vice President, Community Engagement & Corporate Communications
Mr. Omar Reid, Senior Vice President, Human Resources
Ms. Patricia Darnauer, Executive Vice President, LBJ Hospital
Mr. R. King Hillier, Vice President, Public Policy & Government Relations
Dr. Sandeep Markan, Chief of Staff, Ben Taub Hospital
Ms. Sara Thomas, Vice President Legal Affairs/Managing Attorney, Harris County Attorney’s Office
Dr. Steven Brass, Executive Vice President & Chief Medical Executive
Dr. Tien Ko, Chief of Staff, Lyndon B. Johnson Hospital
Ms. Victoria Nikitin, Senior Vice President, Finance

OTHERS PRESENT	
Antoinette Cotton	Jennifer Zarate
Bruce Tran	Jerald Summers
Cherry Pierson	Kari McMichael
Daniel Smith	Keisha Fenton
Debbie Garbade	Matthew Schlueter
Derek Curtis	Nicholas Bell
DeWight Dopslauf	Paul Lopez
Ebon Swofford	Randy Manarang
Elizabeth Winn	Tai Nguyen
Jack Adger	Teong Chai

Thursday, November 10, 2022

Consideration of Approval of Subsidy Payments to Community Health Choice, Inc. for the Health Insurance Marketplace Non-Federal Premium Payments for Eligible Harris Health Patients for Calendar Year 2023

Harris Health System has worked with Community Health Choice, Inc., since 2017 to assist in the enrollment of eligible Harris Health indigent patients into the appropriate Marketplace plans. The agreement between Harris Health and Community Health Choice for the Marketplace enrollment of Harris Health patients will automatically renew on December 31, 2022, subject to approval of the annual funding of premium subsidies for Calendar Year 2023.

In addition to providing subsidies for eligible indigent patients, Harris Health began an additional subsidy program in 2021 for eligible Harris Health low-income patients (uninsured self-pay) with household incomes between 150% and 200% of the Federal Poverty Level (FPL), and plans to continue that program in 2023.

The projected subsidy cost for 2023 is substantially lower than prior years, primarily as a result of Community Health Choice plan pricing that was much closer to the price of the Benchmark plan for Harris County than in 2022 and earlier years. The average price of the Benchmark plan increased by 25.1 percent in 2023, while the average price of the specific Community plan for Harris Health subsidized members only increased by 11.6 percent from 2022 to 2023. Please see the attached Executive Summary and Annual Trend report for more information about the Harris Health Marketplace Subsidy Program.

Administration requests that the Board of Trustees authorize Harris Health System to provide, and Community Health Choice, Inc. to accept, the non-federal subsidy payments for those indigent and low-income patients for the insurance coverage term of January 1, 2023 through December 31, 2023. The total premium subsidies shall not exceed \$3,000,000.

Executive Summary – Marketplace Subsidy Program for Calendar 2023

As of September 30, 2022, Harris Health has 93,099 unique participants in the Financial Assistance Program. Participants must be uninsured residents of Harris County with household income under 150 percent of the federal poverty limit (FPL) who have applied for the Program, and provided sufficient documentation to support residency and income requirements.

There are 20,892 of those Financial Assistance Program patients also enrolled in a Silver 94 (for eligible applicants under 150% FPL) Marketplace insurance plan sponsored by Community Health Choice. Another 3,054 patients in the 150 – 200% FPL window are enrolled in a Silver 87 plan. Harris Health System has worked with Community Health Choice since 2017, enrolling eligible Harris Health indigent patients into the appropriate Marketplace plan(s).

Plan participation grew steadily from 2017 to 2021, and has now stabilized at around 24,000 average monthly members, optimizing the Marketplace enrollment of eligible Harris Health Financial Assistance Program patients.

The attached summary report highlights the positive impact of the Marketplace strategy for Harris Health and its Financial Assistance patients. For the last completed year (Calendar 2021) Harris Health subsidized \$33.3 million in individual premiums, while the federal government provided \$162.4 million in APTC (Advance Premium Tax Credit) funding to Community Health Choice for these patients. Harris Health and the medical schools were reimbursed \$79.8 million for healthcare services provided to this patient population in Harris Health facilities, exceeding the premium subsidies by \$46.5 million.

Sponsored patients also received \$104.2 million in healthcare services from other providers in Harris County in Calendar 2021. In total, \$184.0 million of healthcare service claims were paid for these subsidized patients, leveraging the Harris Health subsidy of \$33.3 million.

While Calendar 2022 is not yet completed, the annualized results reflect comparable success for the subsidy program. The reduction in subsidies in 2022 from 2021 was primarily the result of the full year's impact of the enhanced APTC that was begun in mid-2021; the increased federal contribution reduced the individual premiums and related Harris Health subsidies. The enhanced APTC was recently extended through Calendar 2025.

The projected Marketplace subsidy cost of \$3.0 million for 2023 is substantially lower than prior years, primarily as a result of Community Health Choice 2023 plan pricing that was much closer to the price of the Benchmark plan for Harris County than in 2022 and earlier years. The average price of the Benchmark plan increased by 25.1 percent in 2023, while the average price of the specific Community plan for Harris Health subsidized members only increased by 11.6 percent from 2022 to 2023. On average, the Community plan was \$2.62 per month higher than the 2023 Benchmark plan for the Silver 94 product. The enhanced APTC is designed to cover 100% of the Benchmark plan premium cost for the Silver 94 plan.

The projection for Calendar 2023 is to replicate the successes of prior years. In fact, with the significant reduction in subsidy costs, 2023 should reflect the best performance since the inception of the Marketplace subsidy program in 2017.

The impact of the Affordable Care Act, and the creation of the Marketplace Health Insurance program has been very beneficial to Harris Health System. Prior to the ACA, Harris Health's commercial payor mix was approximately 2% of overall payor activity. The creation of the Marketplace – before the implementation of the Harris Health subsidy program – grew the commercial payor activity to about 6% of the overall mix, as low-income individuals signed up for the newly affordable coverage on their own.

The addition of the subsidy program and the increase in Harris Health subsidized members has grown the commercial payor mix to roughly 16.5% of the overall payor mix, enhancing reimbursement for services, and easily covering the cost of the subsidy payments. In addition, the Community Health Choice Marketplace plans offer participating patients access to timely healthcare services anywhere in the contracted provider network for the plans, helping to mitigate the physical capacity limitations of existing Harris Health facilities and services.

**Harris Health System
Marketplace Subsidy Program
Annual Trends**

	2018 Actual	2019 Actual	2020 Actual	2021 Actual (1)	2022 Annualized (2)	2023 Projected (3)
Average Monthly Membership						
1. Silver 94 (0 - 150% FPL)	9,497	12,935	18,642	20,500	20,892	21,193
2. Silver 87 (150 - 200% FPL)	N/A	N/A	N/A	3,037	3,054	3,046
3. Average Total Membership	9,497	12,935	18,642	23,537	23,946	24,239
4. Average Member Age						
	53	53	54	52	53	54
Premium Dollars:						
5. Total Premium	\$80,108,283	\$113,576,687	\$172,932,531	\$195,714,262	\$195,076,905	\$220,369,093
6. Federal APTC	\$66,032,421	\$90,942,203	\$136,718,426	\$162,393,845	\$171,166,778	\$217,369,093
7. Member Premium (Harris Subsidy)	\$14,075,862	\$22,634,484	\$36,214,105	\$33,320,417	\$23,910,127	\$3,000,000
Average Monthly Premium:						
8. Total CHC Premium	\$702.93	\$731.71	\$773.04	\$692.93	\$678.88	\$757.64
9. Federal APTC	\$579.41	\$585.89	\$611.16	\$574.96	\$595.67	\$747.33
10. APTC % of Total CHC Premium	82.4%	80.1%	79.1%	83.0%	87.7%	98.6%
11. Member Premium (Subsidy) / Month	\$123.51	\$145.82	\$161.88	\$117.97	\$83.21	\$10.31
12. Benchmark Premium (Average Age)	\$624.41	\$630.89	\$656.16	\$598.38	\$603.67	\$755.02
13. APTC % of Total Benchmark Premium	92.8%	92.9%	93.1%	96.1%	98.7%	99.0%
14. Harris Commercial Payor % (4)	8.55%	9.36%	11.07%	16.10%	16.54%	16.54%
15. Harris Health Facility Services Reimb	\$20,948,682	\$47,618,249	\$46,373,593	\$79,812,232	\$77,254,500	\$78,000,000
16. Other Locations Provider Reimb	\$27,412,080	\$45,282,898	\$81,513,551	\$104,230,936	\$110,315,000	\$112,000,000
17. Total Services to Members	\$48,360,762	\$92,901,147	\$127,887,144	\$184,043,168	\$187,569,500	\$190,000,000

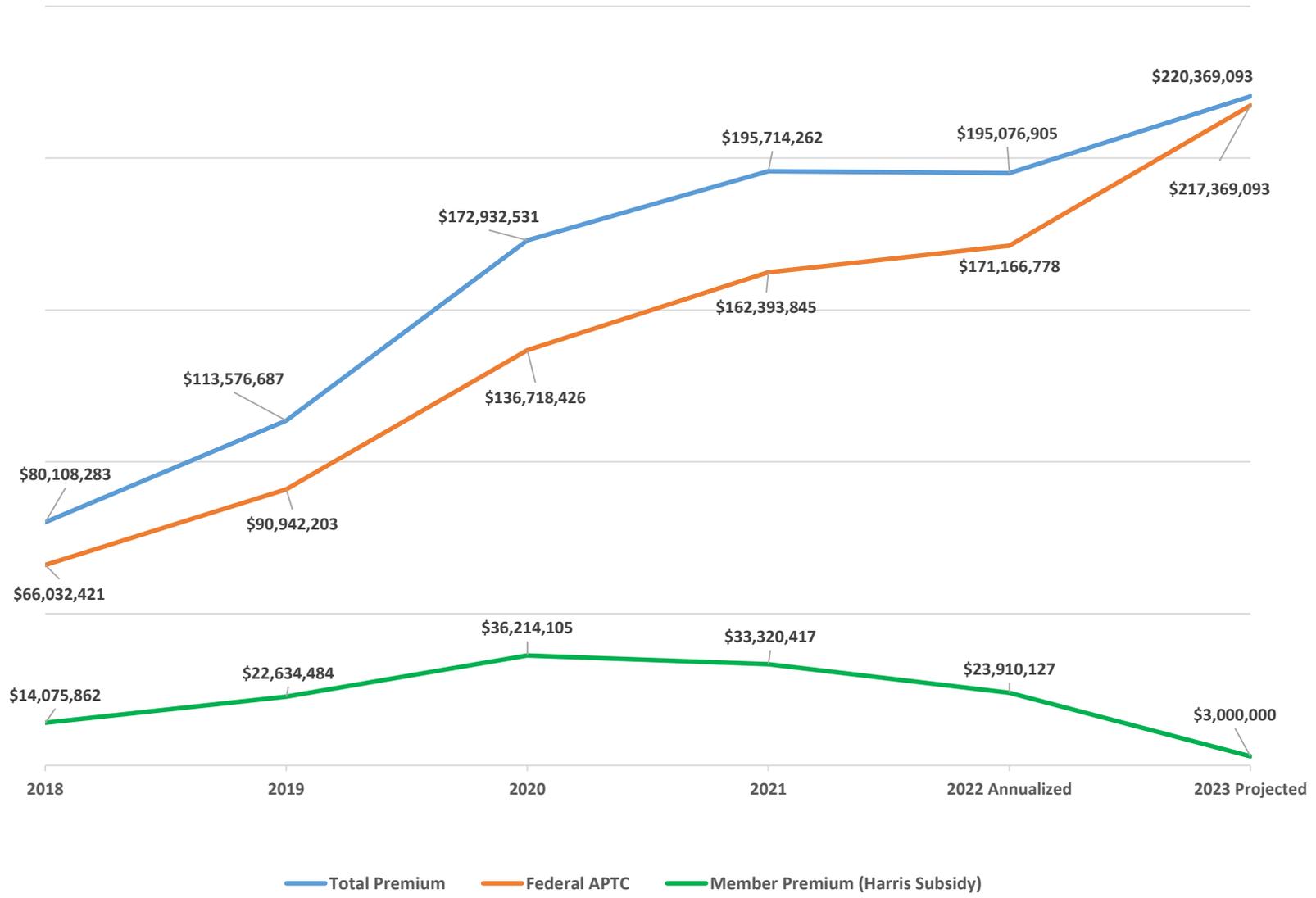
Note (1) 2021 Actual numbers are still subject to minor revision, as reporting is updated.

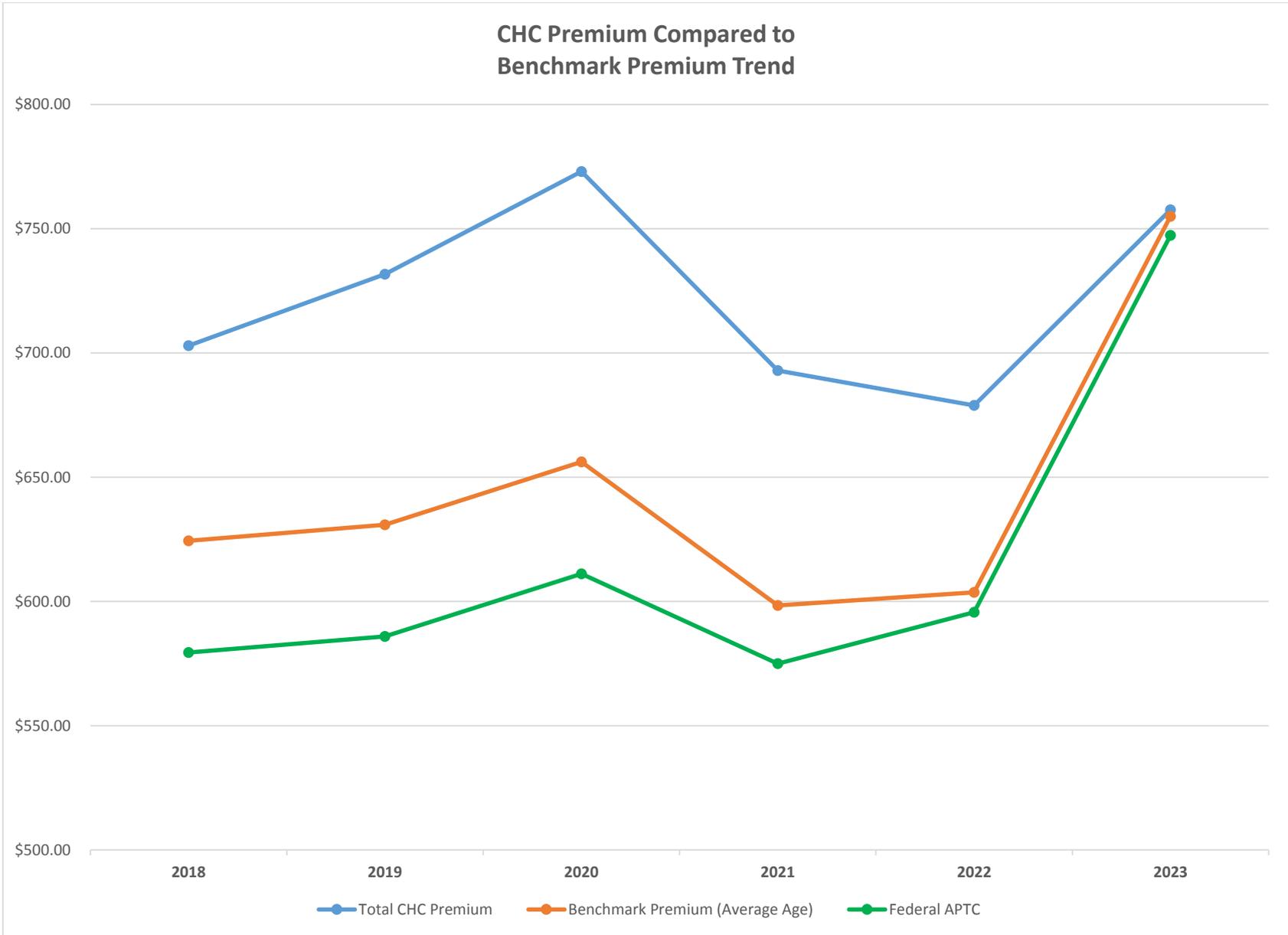
Note (2) 2022 Annualized numbers are based on year-to-date September membership and premiums, and June claims paid.

Note (3) 2023 Projected numbers are based on current year (2022) active membership.

Note (4) Commercial payor mix reflects the Harris fiscal year ending two months after each calendar year; for example FY 2022 for CY 2021.

Marketplace Premium Dollar Trend





Thursday, November 10, 2022

Consideration of Acceptance of the Harris Health System September 2022
Financial Report Subject to Audit

Attached for your review and consideration is the September 2022 Financial Report for the fiscal year ended September 30, 2022.

Administration recommends that the Board accept the financial report for the period ended September 30, 2022, subject to final audit.



Financial Statements

As of September 30, 2022



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Financial Highlights Review



As of September 30, 2022

Operating loss for the short fiscal year ended September 30 was \$145.6 million compared to budgeted income of \$26.2 million.

Total net revenue at September of \$1,095.9 million was \$244.8 million or 18.3% less than budget. Ad valorem tax revenue was \$477.1 million less than budget due to the change in the accounting practice (revenue recognition) related to the fiscal year transition by Harris County and Harris Health System. This transition was required to align the related tax rate approval process in September—October 2022 with the new fiscal year October 2022—September 2023. Because the 2022 tax levy is deemed to cover the new fiscal year above, no ad valorem tax revenue is recognized during the stub period of March to September 2022. The change in the accounting practice does not impact the System's ad valorem cash collections practice, which remains unchanged. Detailed discussion of the accounting change adopted by Harris County and Harris Health System was provided by the System's external auditor, Forvis LLP, at the May 2022 meeting of the Compliance and Audit Committee.

On September 1, 2022, the Texas Health and Human Services Commission (HHSC) announced that it received approval from CMS to implement Hospital Augmented Reimbursement Program (HARP) for non-state government-owned and operated hospitals. The approval is retroactive to October 1, 2021 and covers the entire federal fiscal year 2022. As a result, the System posted \$237.6 million in HARP revenues under Medicaid Supplemental programs. Also in September, Provider Relief Funds were recognized and resulted in \$20.9 million in COVID CARES Act income.

At September 30, total expenses of \$1,241.6 million were \$73.0 million or 5.6% less than budget. Due to the fiscal year transition, annual actuarial valuations were recorded for benefit plans (pension plan and post-employment health benefit) resulting in a net decrease of \$38.8 million favorable to budget. Other favorable trends were noted in purchased services and supplies.

Through September of the short fiscal year, total patient days and average daily census increased 2.2% compared to budget. Inpatient case mix index, a measure of patient acuity, was 5.2% lower and length of stay 2.2% lower than planned. Emergency room visits were up 5.4% from budget year-to-date. Total clinic visits, including telehealth, were 11.4% lower compared to budget; however, births were up 14.2%.

The System has \$822.8 million in unrestricted cash, cash equivalents and investments, representing 146.8 days cash on hand. Harris Health System has \$114.9 million in net accounts receivable, representing 62.0 days of outstanding patient accounts receivable at September 30, 2022. The September balance sheet reflects a combined net receivable position of \$467.2 million under the various Medicaid Supplemental programs.

Income Statement

As of September 30, 2022 (In \$ Millions)

	MONTH-TO-MONTH			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	PRIOR YEAR	PERCENT VARIANCE
REVENUE								
Net Patient Revenue	\$ 58.0	\$ 60.3	-3.8%	\$ 396.5	\$ 431.4	-8.1%	\$ 482.1	-17.8%
Medicaid Supplemental Programs	281.8	37.7	647.6%	583.3	341.0	71.1%	380.3	53.4%
Other Operating Revenue	10.2	10.6	-3.4%	67.4	74.6	-9.6%	24.9	171.0%
Total Operating Revenue	\$ 350.0	\$ 108.6	222.3%	\$ 1,047.2	\$ 847.0	23.6%	\$ 887.2	18.0%
Net Ad Valorem Taxes	3.0	68.5	-95.7%	2.2	479.4	-99.5%	459.8	-99.5%
Net Tobacco Settlement Revenue	-	-	0.0%	16.7	13.3	26.2%	13.3	26.2%
Capital Gifts & Grants	-	-	0.0%	-	-	0.0%	-	0.0%
Interest Income & Other	23.0	0.2	15045.3%	29.7	1.1	2687.0%	1.2	2331.0%
Total Nonoperating Revenue	\$ 26.0	\$ 68.6	-62.1%	\$ 48.7	\$ 493.7	-90.1%	\$ 474.3	-89.7%
Total Net Revenue	\$ 376.0	\$ 177.2	112.2%	\$ 1,095.9	\$ 1,340.7	-18.3%	\$ 1,361.6	-19.5%
EXPENSE								
Salaries and Wages	\$ 77.8	\$ 77.4	-0.5%	\$ 510.4	\$ 513.2	0.5%	\$ 449.1	-13.7%
Employee Benefits	(15.1)	24.0	163.2%	120.7	167.4	27.9%	152.3	20.8%
Total Labor Cost	\$ 62.6	\$ 101.4	38.2%	\$ 631.1	\$ 680.6	7.3%	\$ 601.3	-4.9%
Supply Expenses	23.2	23.2	0.1%	162.8	171.3	5.0%	158.2	-2.9%
Physician Services	32.6	32.8	0.5%	245.7	241.0	-1.9%	217.3	-13.0%
Purchased Services	19.4	24.8	21.5%	151.6	173.3	12.5%	166.6	9.0%
Depreciation & Interest	8.8	6.9	-27.0%	50.4	48.4	-4.3%	41.0	-23.0%
Total Operating Expense	\$ 146.7	\$ 189.1	22.4%	\$ 1,241.6	\$ 1,314.5	5.6%	\$ 1,184.4	-4.8%
Operating Income (Loss)	\$ 229.3	\$ (11.9)		\$ (145.6)	\$ 26.2		\$ 177.1	
Total Margin %	61.0%	-6.7%		-13.3%	2.0%		13.0%	

Balance Sheet

HARRISHEALTH
SYSTEM

September 30, 2022 and 2021 (In \$ Millions)

	CURRENT YEAR	PRIOR YEAR
<u>CURRENT ASSETS</u>		
Cash, Cash Equivalents and Short Term Investments	\$ 822.8	\$ 852.5
Net Patient Accounts Receivable	114.9	112.1
Net Ad Valorem Taxes, Current Portion	-	454.4
Other Current Assets	578.0	324.8
Total Current Assets	\$ 1,515.7	\$ 1,743.7
<u>CAPITAL ASSETS</u>		
Plant, Property, & Equipment, Net of Accumulated Depreciation	\$ 418.8	\$ 446.6
Construction in Progress	166.3	93.6
Right of Use Assets	46.6	-
Total Capital Assets	\$ 631.8	\$ 540.1
<u>ASSETS LIMITED AS TO USE & RESTRICTED ASSETS</u>		
Debt Service & Capital Asset Funds	\$ 39.9	\$ 50.4
LPPF Restricted Cash	71.0	104.4
Capital Gift Proceeds	45.3	-
Other - Restricted	1.1	1.1
Total Assets Limited As to Use & Restricted Assets	\$ 157.3	\$ 155.9
Other Assets	20.6	11.7
Deferred Outflows of Resources	188.5	179.3
Total Assets & Deferred Outflows of Resources	\$ 2,513.9	\$ 2,630.7
<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Liabilities	\$ 230.9	\$ 300.2
Employee Compensation & Related Liabilities	124.4	136.6
Estimated Third-Party Payor Settlements	13.5	8.6
Current Portion Long-Term Debt and Capital Leases	20.7	12.2
Total Current Liabilities	\$ 389.6	\$ 457.7
Long-Term Debt	333.4	308.1
Net Pension & Post Employment Benefits Liability	600.7	736.2
Other Long-Term Liabilities	8.1	24.3
Deferred Inflows of Resources	218.7	112.4
Total Liabilities	\$ 1,550.5	\$ 1,638.8
Total Net Assets	\$ 963.4	\$ 991.9
Total Liabilities & Net Assets	\$ 2,513.9	\$ 2,630.7

Cash Flow Summary

As of September 30, 2022 (In \$ Millions)

	MONTH-TO-MONTH		YEAR-TO-DATE	
	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR
CASH RECEIPTS				
Collections on Patient Accounts	\$ 68.3	\$ 59.7	\$ 410.2	\$ 470.7
Medicaid Supplemental Programs	(147.1)	2.6	332.7	353.9
Net Ad Valorem Taxes	0.9	1.0	28.8	51.1
Tobacco Settlement	-	-	16.7	13.3
Other Revenue	4.3	5.0	105.7	35.6
Total Cash Receipts	\$ (73.6)	\$ 68.3	\$ 894.2	\$ 924.5
CASH DISBURSEMENTS				
Salaries, Wages and Benefits	\$ 116.2	\$ 84.2	\$ 720.3	\$ 549.5
Supplies	27.1	28.9	169.9	163.7
Physician Services	32.2	29.5	250.3	219.5
Purchased Services	18.8	15.9	131.6	127.6
Capital Expenditures	11.2	5.9	64.5	46.2
Debt and Interest Payments	0.3	0.3	6.6	6.6
Other Uses	(5.8)	9.2	(38.9)	49.6
Total Cash Disbursements	\$ 200.0	\$ 173.9	\$ 1,304.3	\$ 1,162.6
Net Change	\$ (273.5)	\$ (105.6)	\$ (410.1)	\$ (238.1)

Unrestricted Cash, Cash Equivalents and Investments - February 28, 2022	\$ 1,232.9
Net Change	(410.1)
Unrestricted Cash, Cash Equivalents and Investments - September 30, 2022	\$ 822.8

Performance Ratios

As of September 30, 2022

	MONTH-TO-MONTH		YEAR-TO-DATE		
	CURRENT YEAR	CURRENT BUDGET	CURRENT YEAR	CURRENT BUDGET	PRIOR YEAR
<u>OPERATING HEALTH INDICATORS</u>					
Operating Margin %	61.0%	-6.7%	-13.3%	2.0%	13.0%
Run Rate per Day (In\$ Millions)	\$ 4.6	\$ 6.1	\$ 5.6	\$ 5.9	\$ 5.4
Salary, Wages & Benefit per APD	\$ 1,549	\$ 2,636	\$ 2,324	\$ 2,450	\$ 2,268
Supply Cost per APD	\$ 574	\$ 604	\$ 599	\$ 616	\$ 597
Physician Services per APD	\$ 807	\$ 853	\$ 905	\$ 867	\$ 820
Total Expense per APD	\$ 3,627	\$ 4,917	\$ 4,572	\$ 4,732	\$ 4,467
Overtime as a % of Total Salaries	5.5%	2.8%	3.7%	3.0%	3.6%
Contract as a % of Total Salaries	10.4%	4.8%	9.4%	5.2%	3.7%
Full-time Equivalent Employees	9,840	10,334	9,744	10,149	9,110
<u>FINANCIAL HEALTH INDICATORS</u>					
Quick Ratio			3.8		3.7
Unrestricted Cash (In \$ Millions)			\$ 822.8	\$ 687.4	\$ 852.5
Days Cash on Hand			146.8	115.6	158.5
Days Revenue in Accounts Receivable			62.0	53.8	49.8
Days in Accounts Payable			47.8		41.6
Capital Expenditures/Depreciation & Amortization			174.9%		133.0%
Average Age of Plant(years)			10.7		12.9

Harris Health System Key Indicators



Statistical Highlights

As of September 30, 2022

	MONTH-TO-MONTH			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
Adjusted Patient Days	40,444	38,468	5.1%	271,573	277,815	-2.2%	265,135	2.4%
Outpatient % of Adjusted Volume	60.5%	63.5%	-4.7%	62.2%	63.5%	-2.1%	62.7%	-0.8%
Primary Care Clinic Visits	47,100	42,977	9.6%	298,122	307,974	-3.2%	242,073	23.2%
Specialty Clinic Visits	20,973	21,675	-3.2%	144,518	154,658	-6.6%	135,995	6.3%
Telehealth Clinic Visits	11,821	18,590	-36.4%	85,398	133,443	-36.0%	162,355	-47.4%
Total Clinic Visits	79,894	83,242	-4.0%	528,038	596,075	-11.4%	540,423	-2.3%
Emergency Room Visits - Outpatient	11,782	9,874	19.3%	80,145	75,989	5.5%	77,405	3.5%
Emergency Room Visits - Admitted	1,750	1,397	25.3%	11,308	10,762	5.1%	10,978	3.0%
Total Emergency Room Visits	13,532	11,271	20.1%	91,453	86,751	5.4%	88,383	3.5%
Surgery Cases - Outpatient	883	1,000	-11.7%	6,425	7,347	-12.5%	5,610	14.5%
Surgery Cases - Inpatient	831	840	-1.1%	5,537	5,853	-5.4%	5,287	4.7%
Total Surgery Cases	1,714	1,840	-6.8%	11,962	13,200	-9.4%	10,897	9.8%
Total Outpatient Visits	132,998	149,544	-11.1%	889,749	1,070,809	-16.9%	1,026,944	-13.4%
Inpatient Cases (Discharges)	2,503	2,301	8.8%	17,223	16,627	3.6%	16,038	7.4%
Outpatient Observation Cases	918	1,177	-22.0%	7,755	7,995	-3.0%	8,034	-3.5%
Total Cases Occupying Patient Beds	3,421	3,478	-1.6%	24,978	24,622	1.4%	24,072	3.8%
Births	508	444	14.4%	3,100	2,715	14.2%	2,724	13.8%
Inpatient Days	15,972	14,056	13.6%	102,756	101,380	1.4%	98,982	3.8%
Outpatient Observation Days	2,890	3,725	-22.4%	24,981	23,637	5.7%	24,037	3.9%
Total Patient Days	18,862	17,781	6.1%	127,737	125,017	2.2%	123,019	3.8%
Average Daily Census	628.7	592.7	6.1%	596.9	584.2	2.2%	574.9	3.8%
Average Operating Beds	680	670	1.5%	681	681	0.0%	659	3.3%
Bed Occupancy %	92.5%	88.5%	4.5%	87.7%	85.8%	2.2%	87.2%	0.5%
Inpatient Average Length of Stay	6.38	6.11	4.5%	5.97	6.10	-2.2%	6.17	-3.3%
Inpatient Case Mix Index (CMI)	1.714	1.799	-4.7%	1.706	1.799	-5.2%	1.772	-3.7%
Payor Mix (% of Charges)								
Charity & Self Pay	46.2%	47.8%	-3.3%	46.7%	47.8%	-2.3%	48.2%	-3.1%
Medicaid & Medicaid Managed	23.5%	20.5%	14.7%	22.7%	20.5%	10.8%	20.6%	10.3%
Medicare & Medicare Managed	11.6%	12.4%	-6.4%	11.0%	12.4%	-11.0%	12.4%	-10.9%
Commercial & Other	18.7%	19.2%	-2.8%	19.5%	19.2%	1.8%	18.9%	3.7%
Total Unduplicated Patients - Rolling 12				247,496			258,613	-4.3%
Total New Patient - Rolling 12				83,189			81,729	1.8%

Harris Health System

Statistical Highlights

September FY STUB

Cases Occupying Beds - CM

Actual	Budget	Prior Year
3,421	3,478	3,331

Cases Occupying Beds - YTD

Actual	Budget	Prior Year
24,978	24,622	24,072

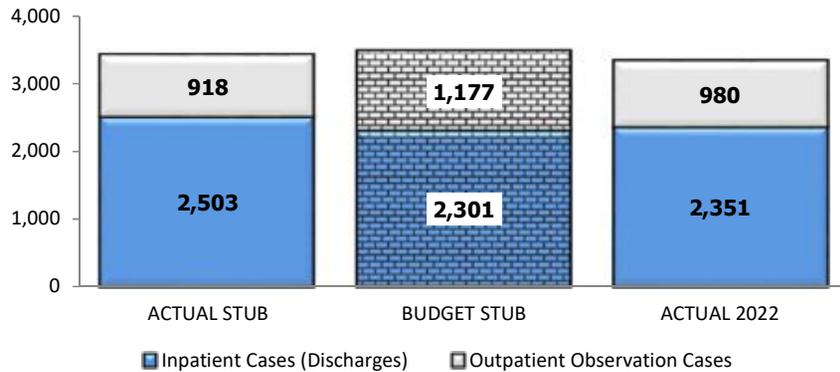
Emergency Visits - CM

Actual	Budget	Prior Year
13,532	11,271	11,323

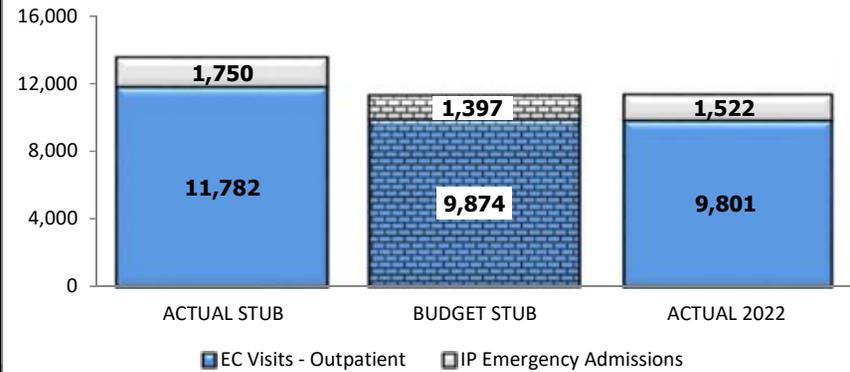
Emergency Visits - YTD

Actual	Budget	Prior Year
91,453	86,751	88,383

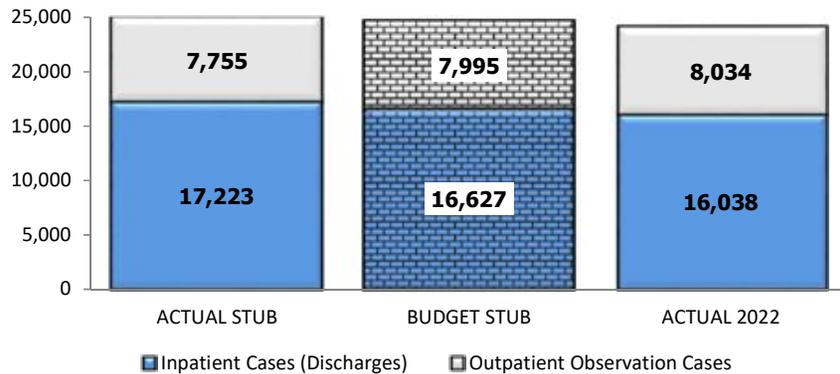
Cases Occupying Beds - Current Month



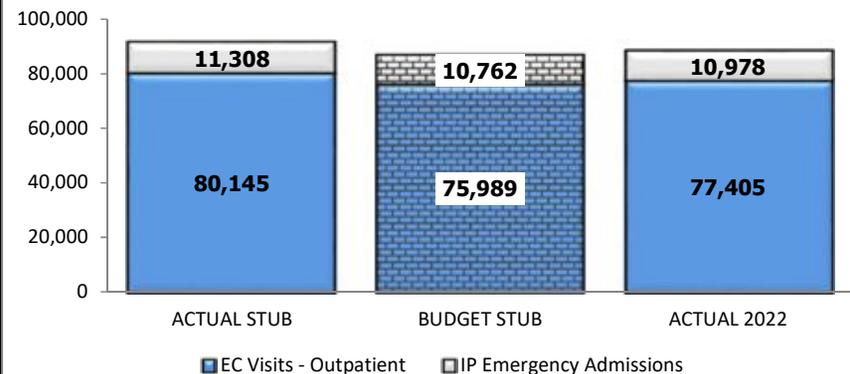
Emergency Visits - Current Month



Cases Occupying Beds - YTD



Emergency Visits - YTD



Harris Health System

Statistical Highlights

September FY STUB

Surgery Cases - CM

Actual	Budget	Prior Year
1,714	1,840	1,387

Surgery Cases - YTD

Actual	Budget	Prior Year
11,962	13,200	10,897

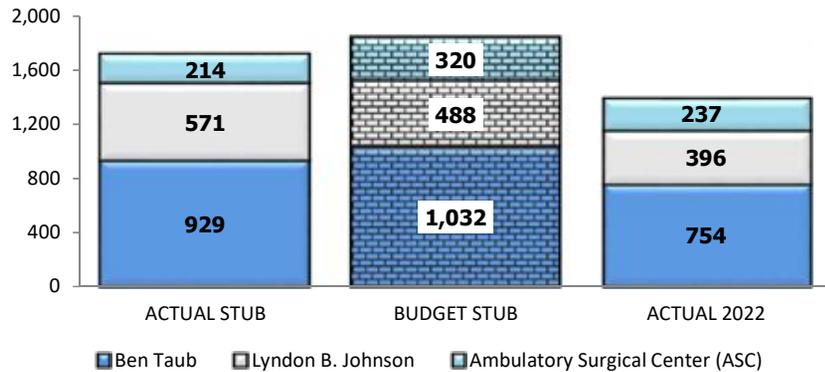
Clinic Visits - CM

Actual	Budget	Prior Year
79,894	83,242	71,179

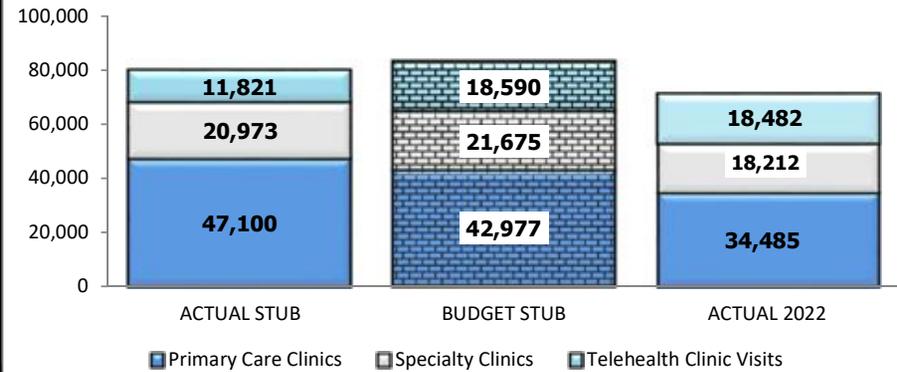
Clinic Visits - YTD

Actual	Budget	Prior Year
528,038	596,075	540,423

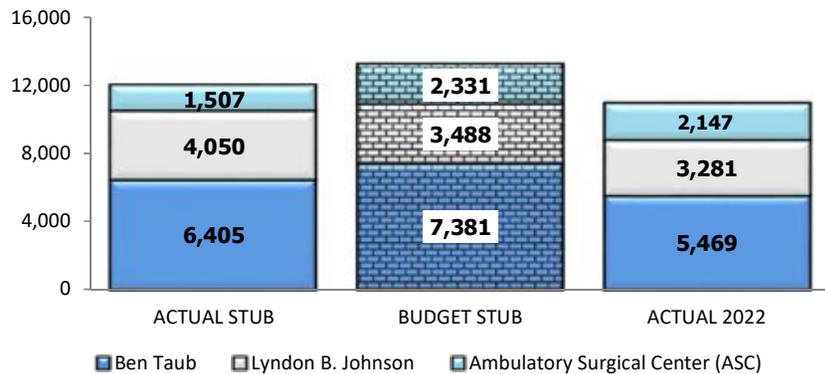
Surgery Cases - Current Month



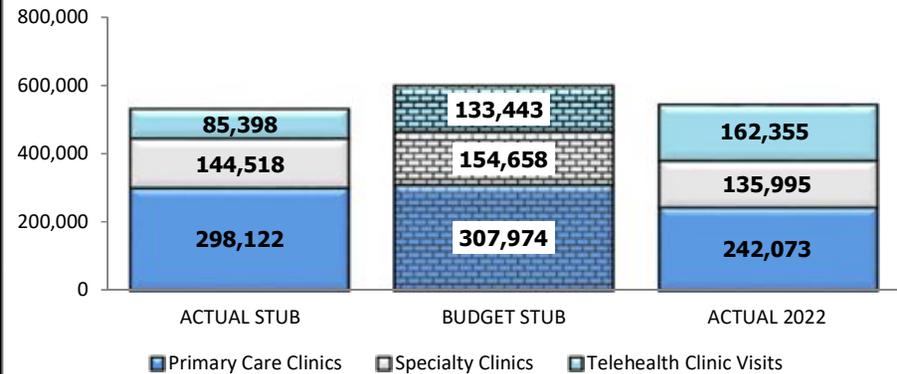
Clinic Visits - Current Month



Surgery Cases - YTD



Clinic Visits - YTD



Harris Health System

Statistical Highlights

September FY STUB

Adjusted Patient Days - CM

40,444

Adjusted Patient Days - YTD

271,573

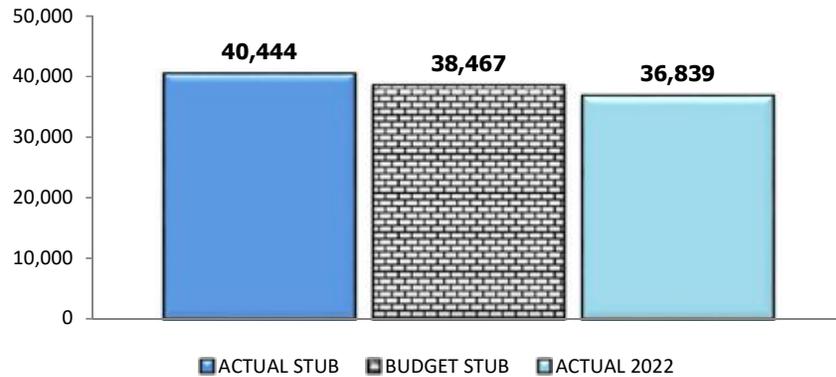
Average Daily Census - CM

628.7

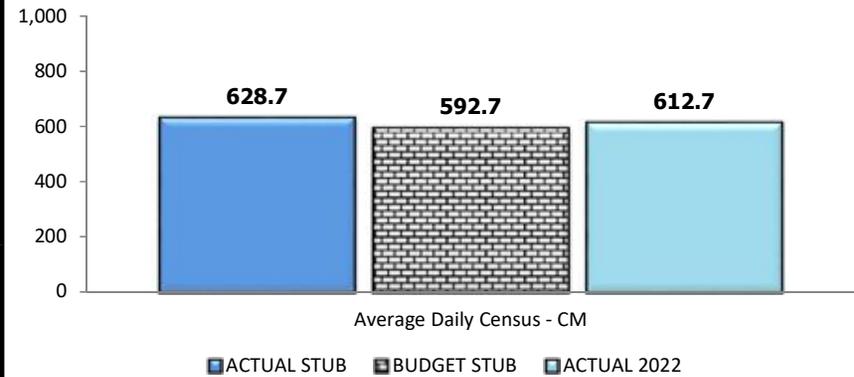
Average Daily Census - YTD

596.9

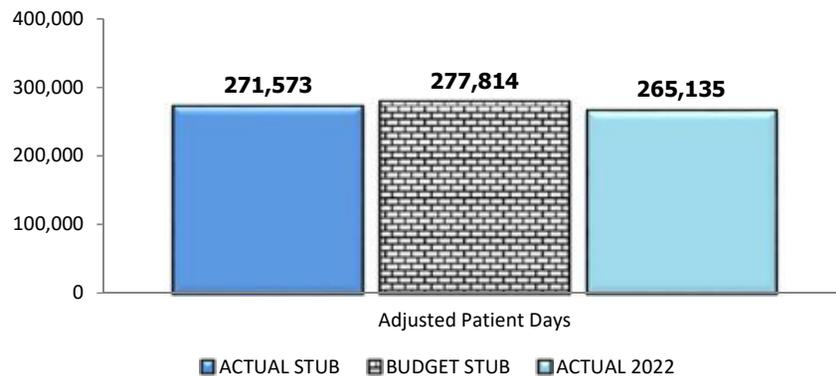
Adjusted Patient Days - Current Month



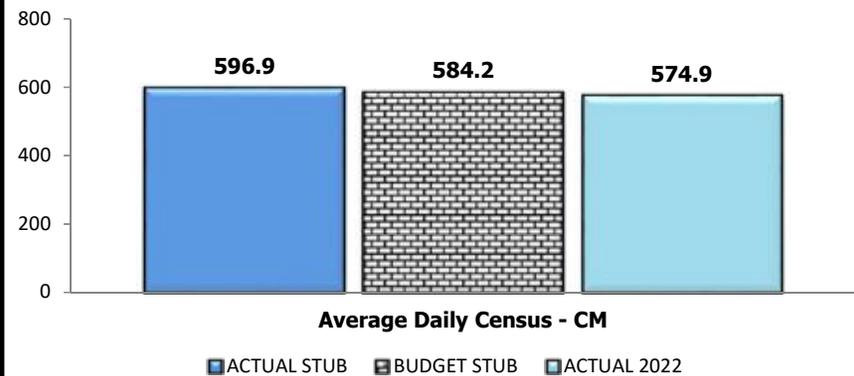
Average Daily Census - Current Month



Adjusted Patient Days - YTD



Average Daily Census - YTD



Harris Health System

Statistical Highlights

September FY STUB

Inpatient ALOS - CM

6.38

Inpatient ALOS - YTD

5.97

Case Mix Index (CMI) - CM

Overall

Excl. Obstetrics

1.714

1.924

Case Mix Index (CMI) - YTD

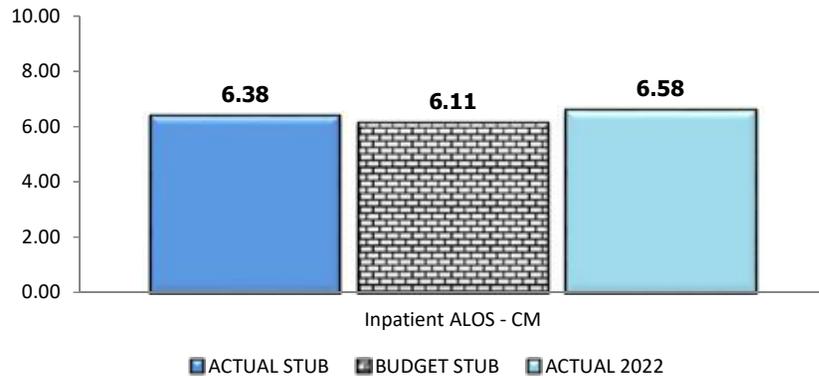
Overall

Excl. Obstetrics

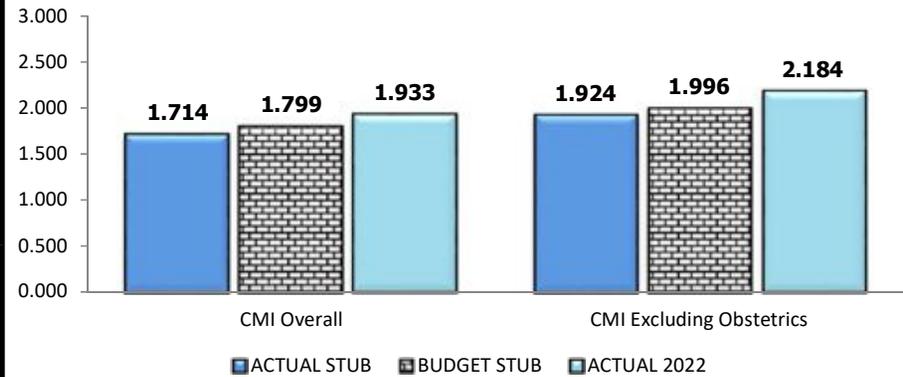
1.706

1.885

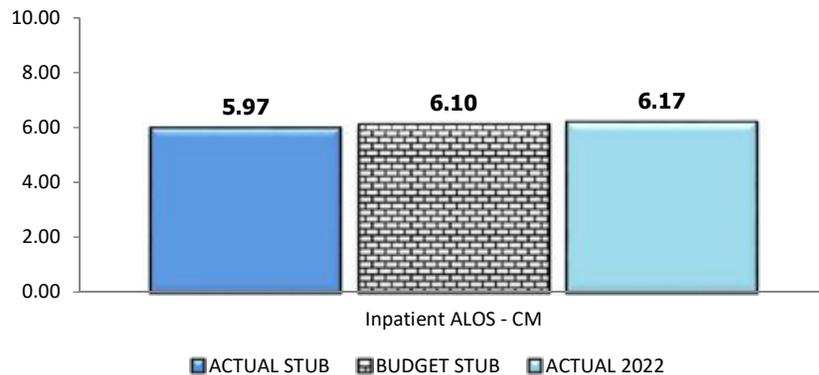
Inpatient ALOS - Current Month



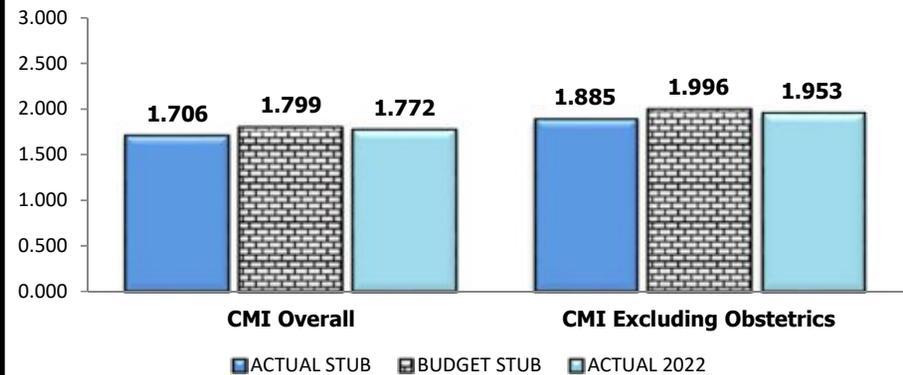
Case Mix Index - Current Month



Inpatient ALOS - YTD



Case Mix Index - YTD



Harris Health System

Statistical Highlights - Cases Occupying Beds

September FY STUB

BT Cases Occupying Beds - CM

Actual	Budget	Prior Year
2,050	2,084	2,038

BT Cases Occupying Beds - YTD

Actual	Budget	Prior Year
14,819	14,930	14,731

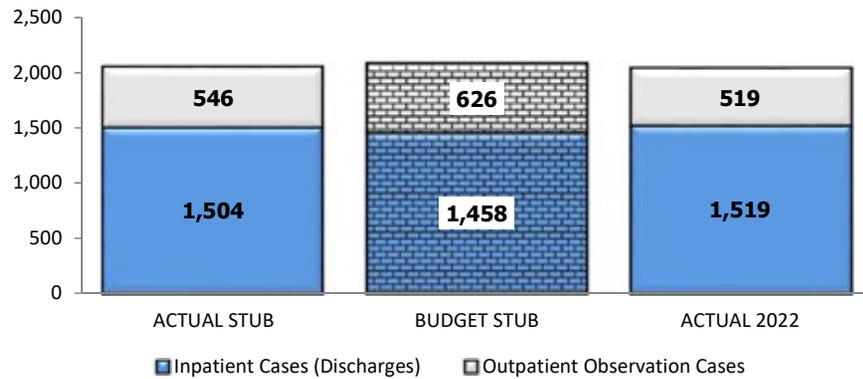
LBJ Cases Occupying Beds - CM

Actual	Budget	Prior Year
1,371	1,394	1,293

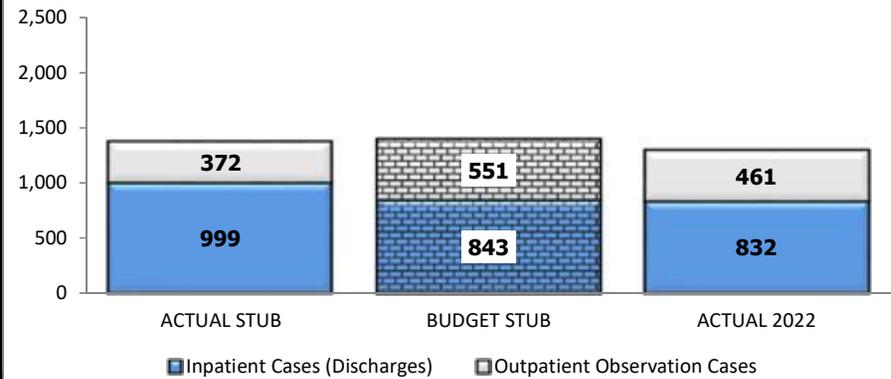
LBJ Cases Occupying Beds - YTD

Actual	Budget	Prior Year
10,159	9,692	9,341

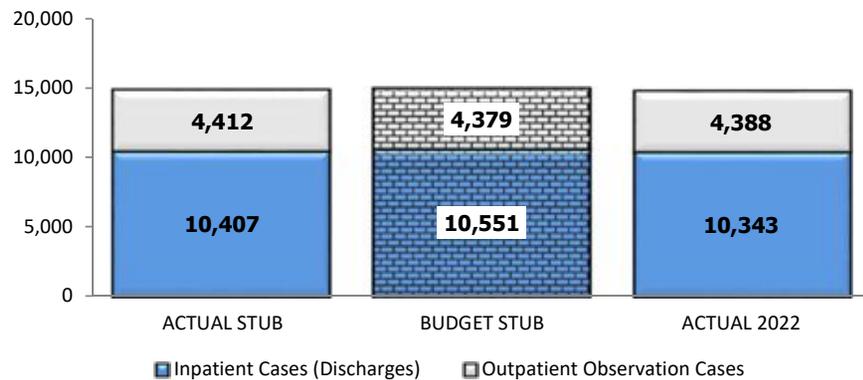
Ben Taub Cases - Current Month



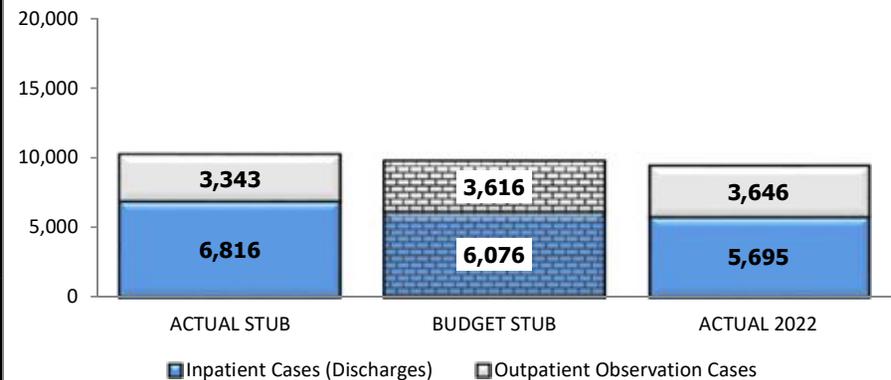
Lyndon B. Johnson Cases - Current Month



Ben Taub Cases - YTD



Lyndon B. Johnson Cases - YTD



Harris Health System

Statistical Highlights - Surgery Cases

September FY STUB

BT Surgery Cases - CM

Actual	Budget	Prior Year
929	1,032	754

BT Surgery Cases - YTD

Actual	Budget	Prior Year
6,405	7,381	5,469

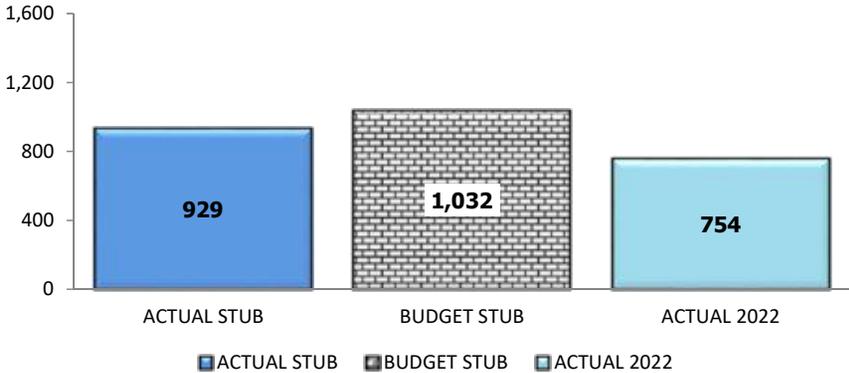
LBJ Surgery Cases - CM

Actual	Budget	Prior Year
785	808	633

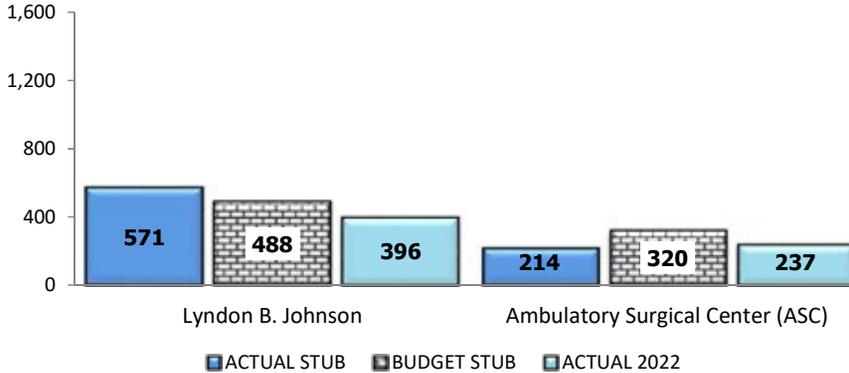
LBJ Surgery Cases - YTD

Actual	Budget	Prior Year
5,557	5,819	5,428

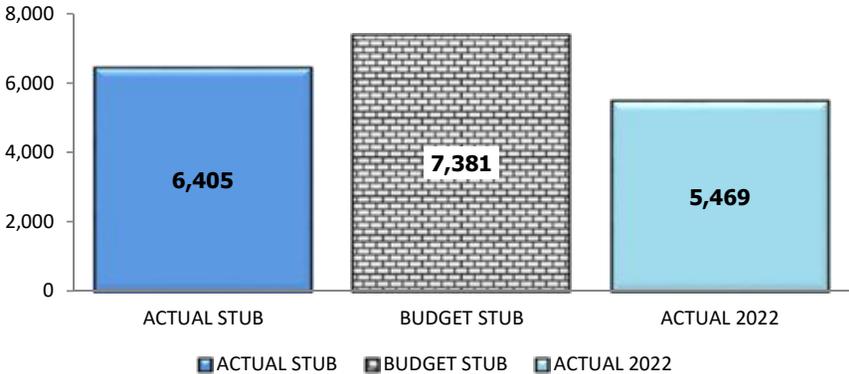
Ben Taub OR Cases - Current Month



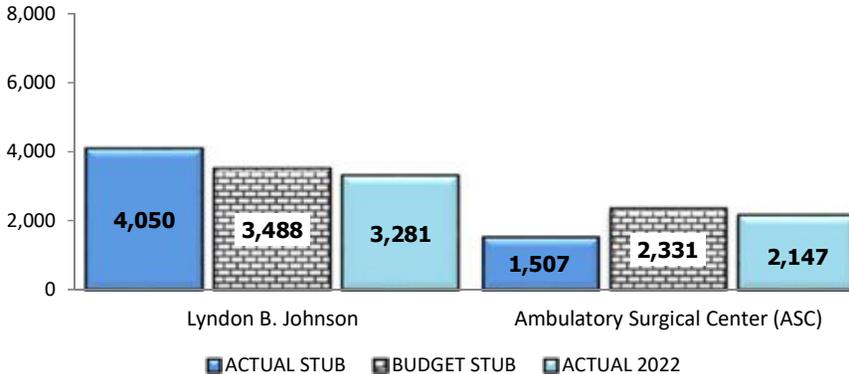
Lyndon B. Johnson OR Cases - Current Month



Ben Taub OR Cases - YTD



Lyndon B. Johnson OR Cases - YTD

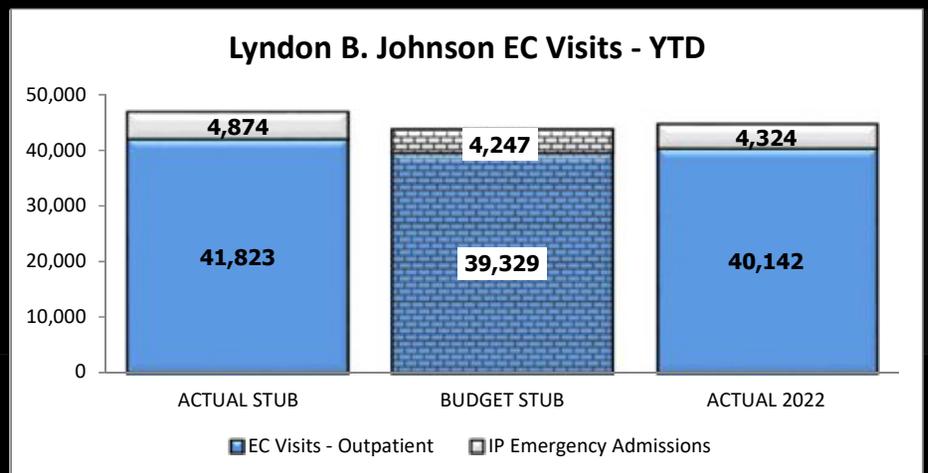
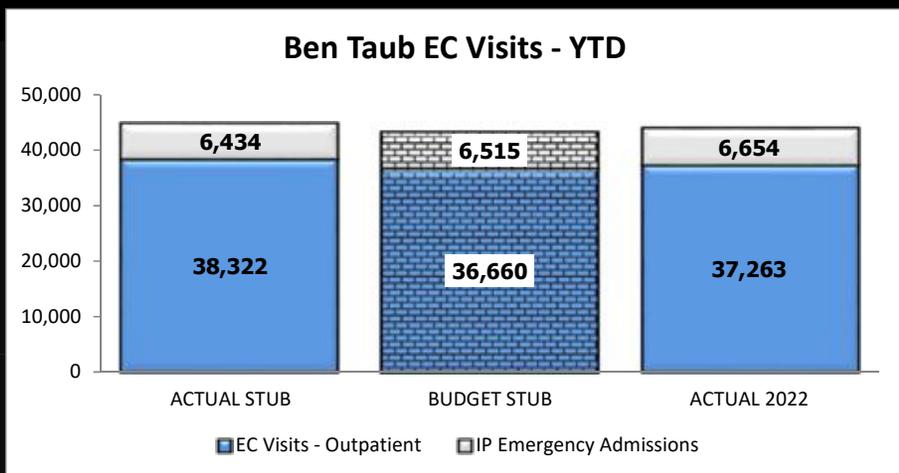
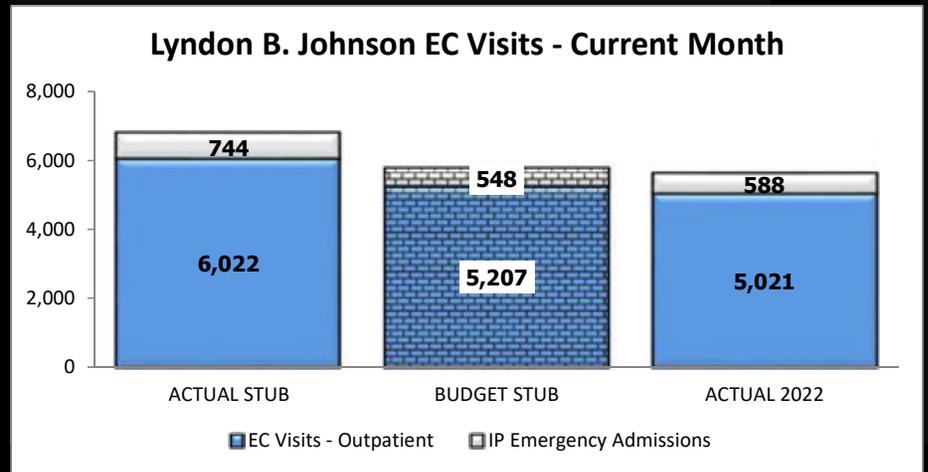
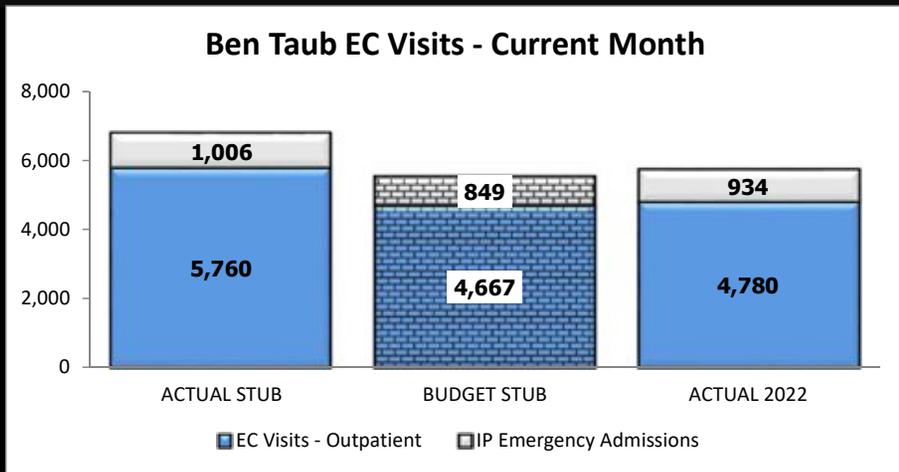


Harris Health System

Statistical Highlights - Emergency Room Visits

September FY STUB

<u>BT Emergency Visits - CM</u>			<u>BT Emergency Visits - YTD</u>			<u>LBJ Emergency Visits - CM</u>			<u>LBJ Emergency Visits - YTD</u>		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
6,766	5,516	5,714	44,756	43,175	43,917	6,766	5,755	5,609	46,697	43,576	44,466



Harris Health System

Statistical Highlights - Births

September FY STUB

BT Births - CM

Actual	Budget	Prior Year
320	292	274

BT Births - YTD

Actual	Budget	Prior Year
1,817	1,757	1,632

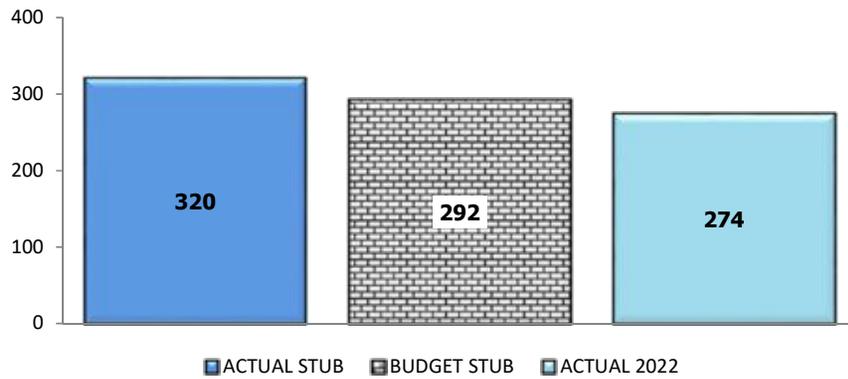
LBJ Births - CM

Actual	Budget	Prior Year
188	152	193

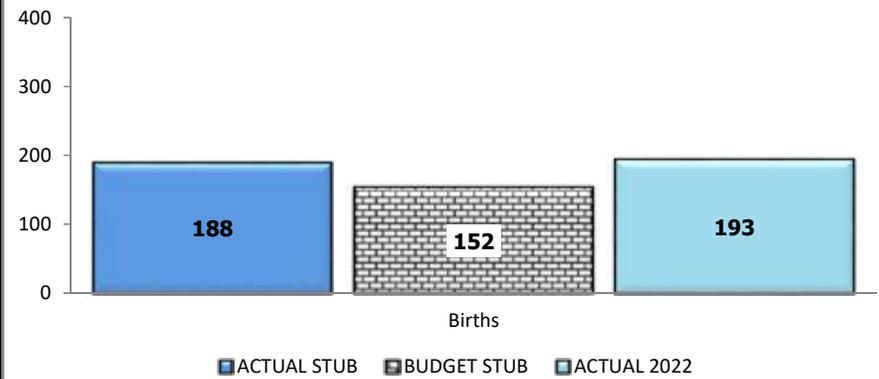
LBJ Births - YTD

Actual	Budget	Prior Year
1,283	958	1,092

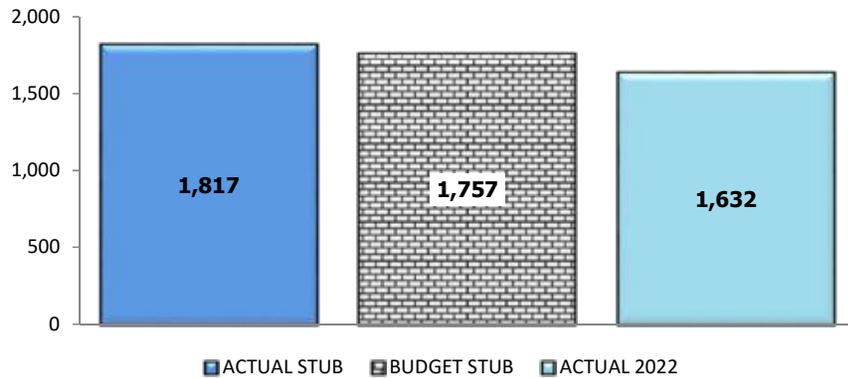
Ben Taub Births - Current Month



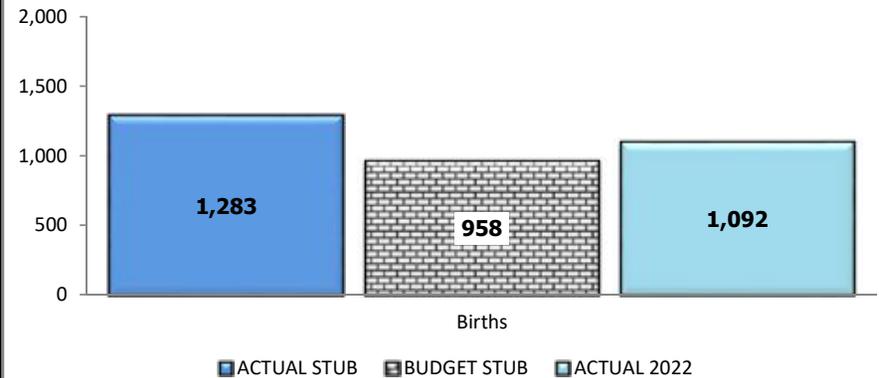
Lyndon B. Johnson Births - Current Month



Ben Taub Births - YTD



Lyndon B. Johnson Births - YTD



Harris Health System

Statistical Highlights - Adjusted Patient Days

September FY STUB

BT Adjusted Patient Days - CM

20,090

BT Adjusted Patient Days - YTD

134,890

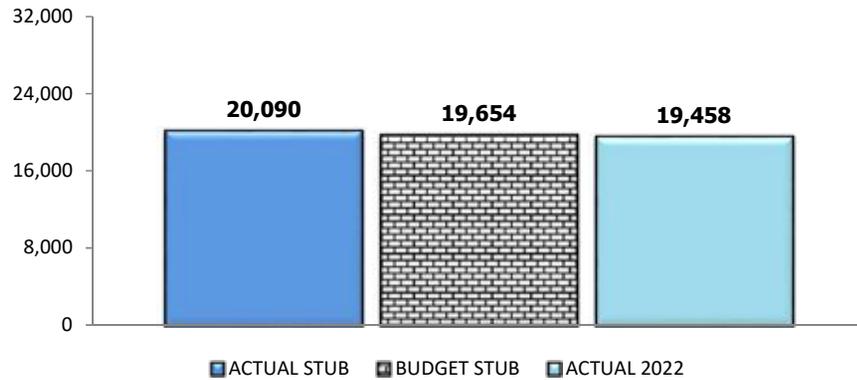
LBJ Adjusted Patient Days - CM

13,213

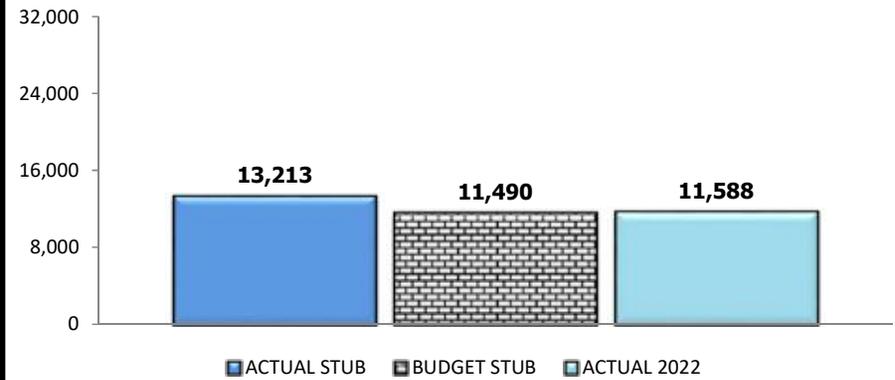
LBJ Adjusted Patient Days - YTD

89,854

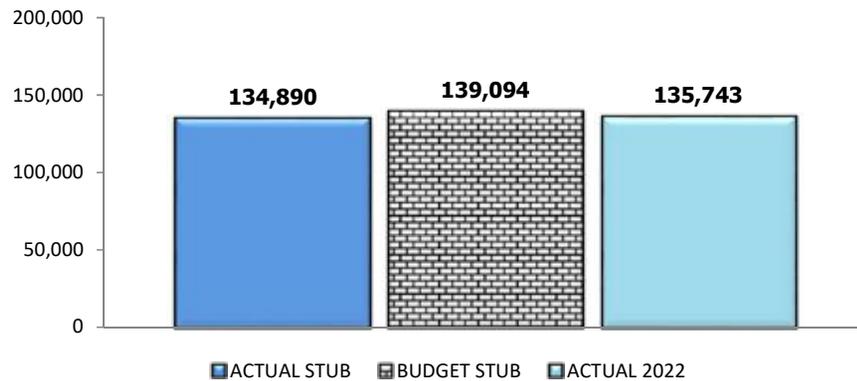
Ben Taub APD - Current Month



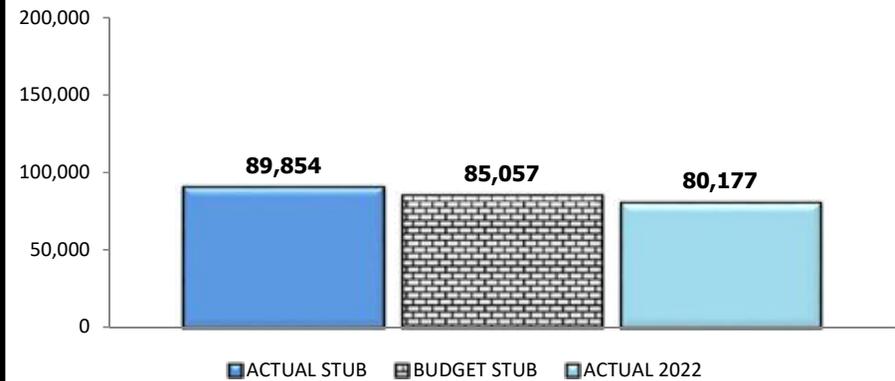
Lyndon B. Johnson APD - Current Month



Ben Taub APD - YTD



Lyndon B. Johnson APD - YTD



Harris Health System

Statistical Highlights - Average Daily Census (ADC)

September FY STUB

BT Average Daily Census - CM

401.7

BT Average Daily Census - YTD

378.9

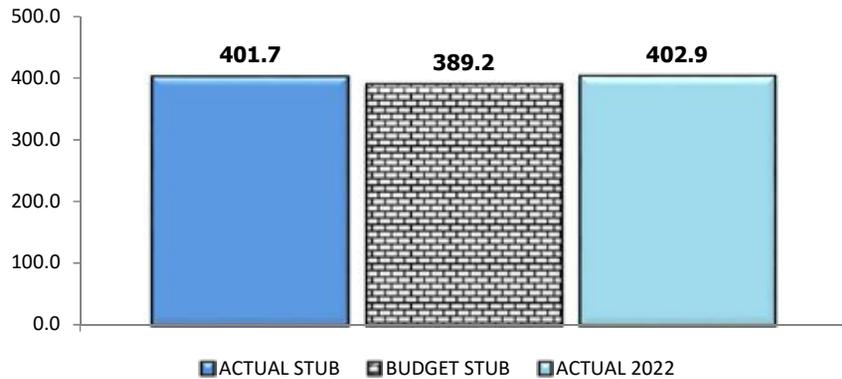
LBJ Average Daily Census - CM

227.0

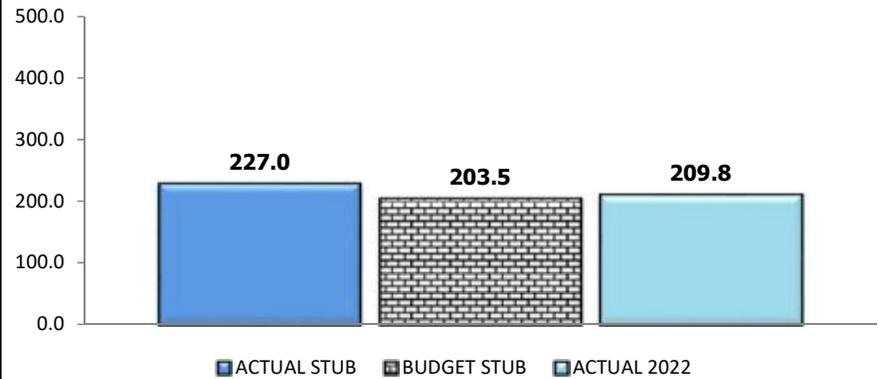
LBJ Average Daily Census - YTD

218.0

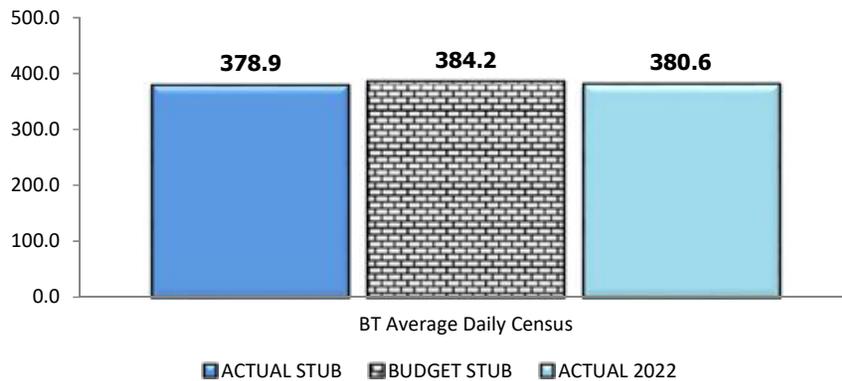
Ben Taub ADC - Current Month



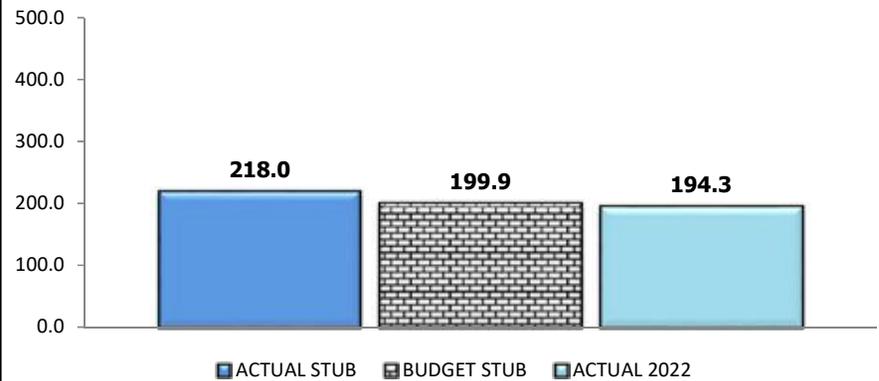
Lyndon B. Johnson ADC - Current Month



Ben Taub ADC - YTD



Lyndon B. Johnson ADC - YTD



Harris Health System

Statistical Highlights - Inpatient Average Length of Stay (ALOS)

September FY STUB

BT Inpatient ALOS - CM

6.79

BT Inpatient ALOS - YTD

6.34

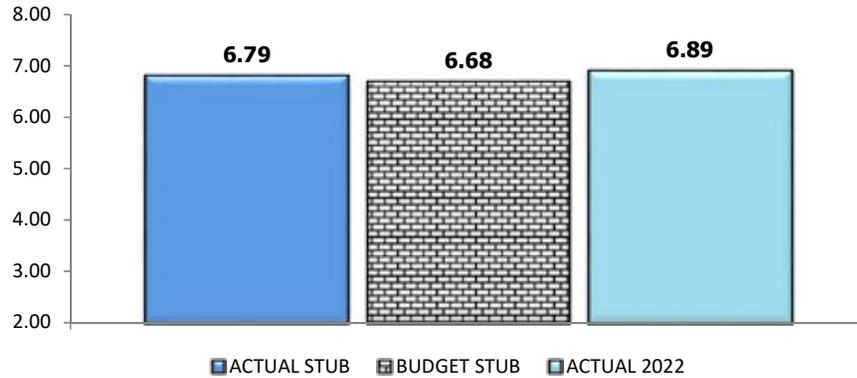
LBJ Inpatient ALOS - CM

5.76

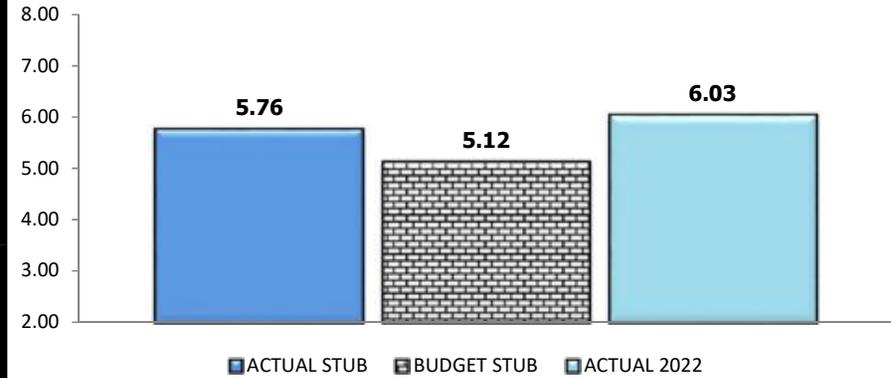
LBJ Inpatient ALOS - YTD

5.40

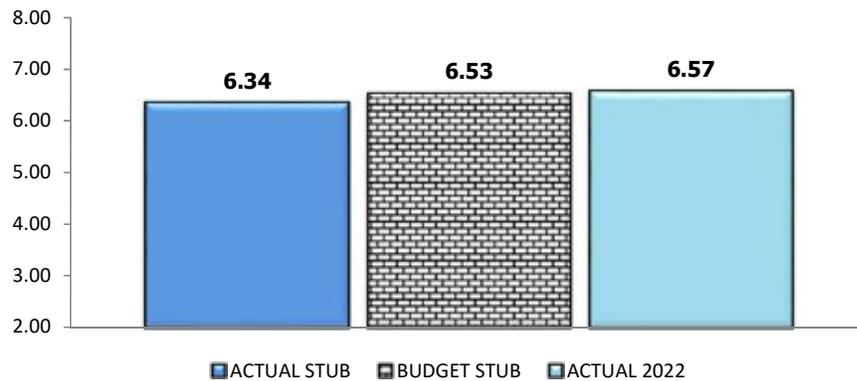
Ben Taub ALOS - Current Month



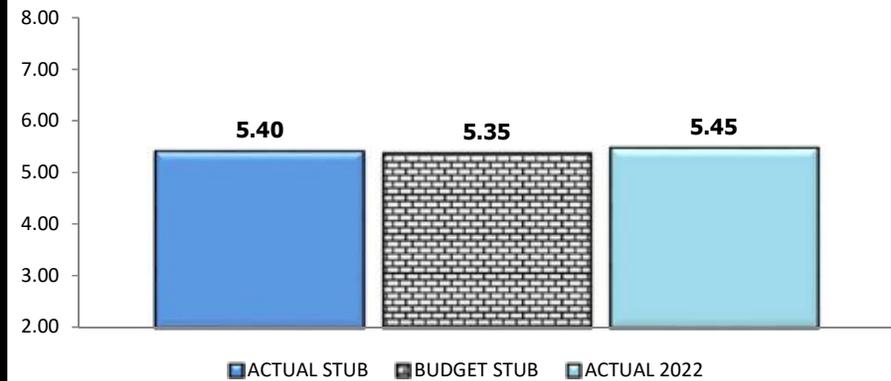
Lyndon B. Johnson ALOS - Current Month



Ben Taub ALOS - YTD



Lyndon B. Johnson ALOS - YTD



Harris Health System

Statistical Highlights - Case Mix Index (CMI)

September FY STUB

BT Case Mix Index (CMI) - CM

Overall	Excl. Obstetrics
1.784	2.021

BT Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.800	1.987

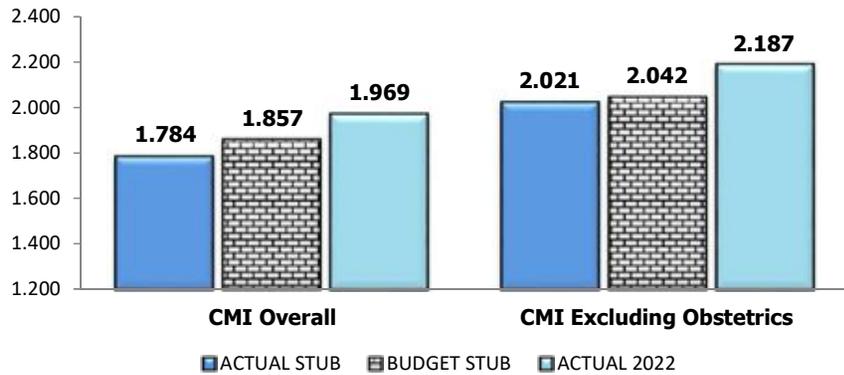
LBJ Case Mix Index (CMI) - CM

Overall	Excl. Obstetrics
1.609	1.783

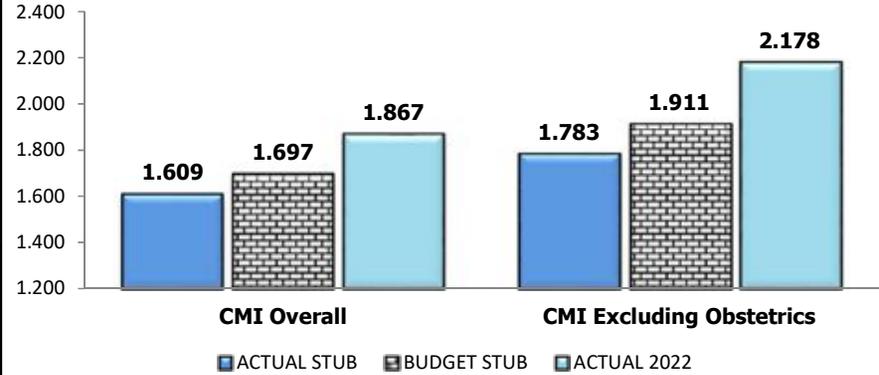
LBJ Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.563	1.727

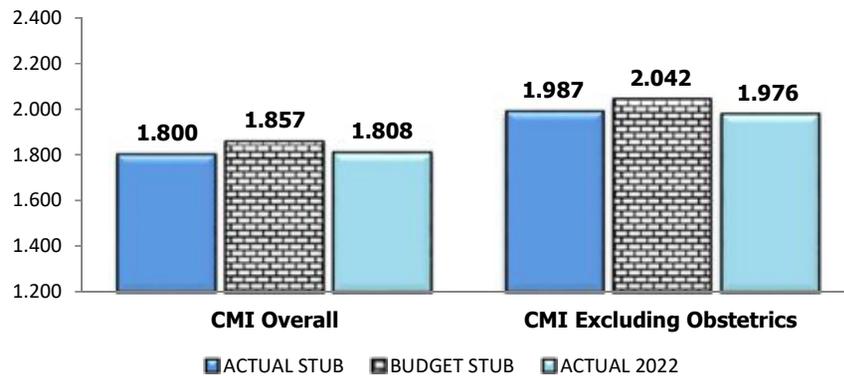
Ben Taub CMI - Current Month



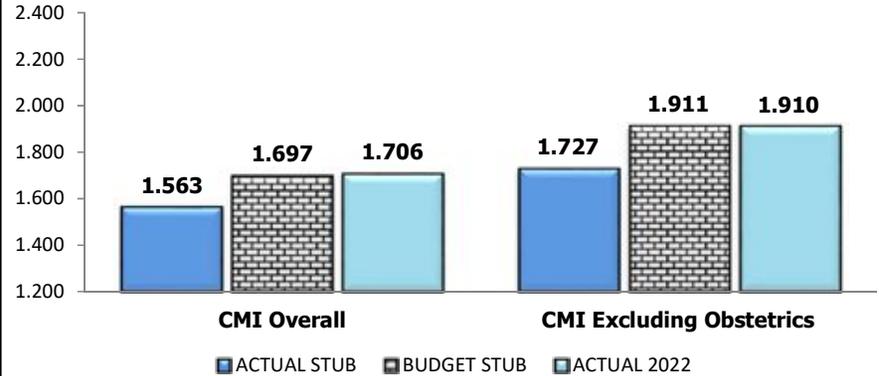
Lyndon B. Johnson CMI - Current Month



Ben Taub CMI - YTD



Lyndon B. Johnson CMI - YTD



Thursday, November 10, 2022

Consideration of Acceptance of the Harris Health System
Second Quarter Stub Year 2022 Investment Report

Attached for your review and acceptance is the Second Quarter Stub Year 2022 Investment Report for the period June– August 2022.

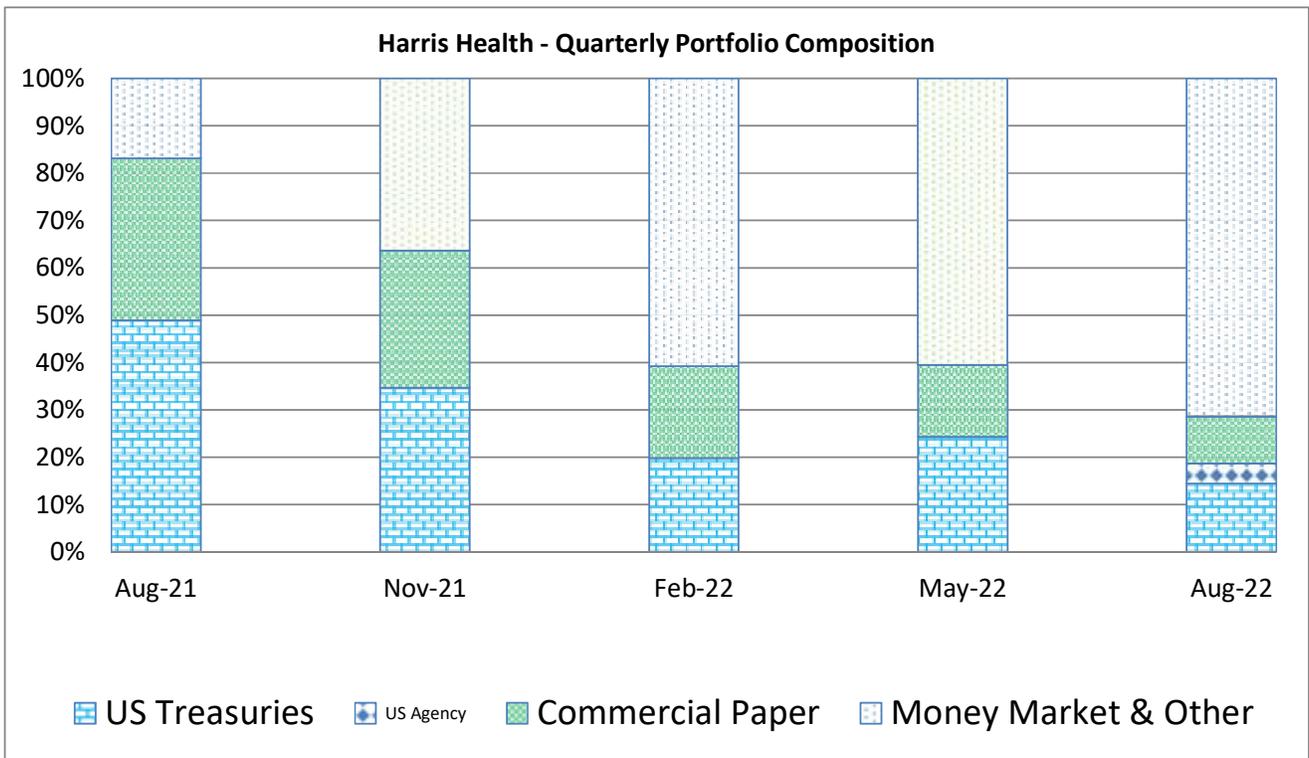
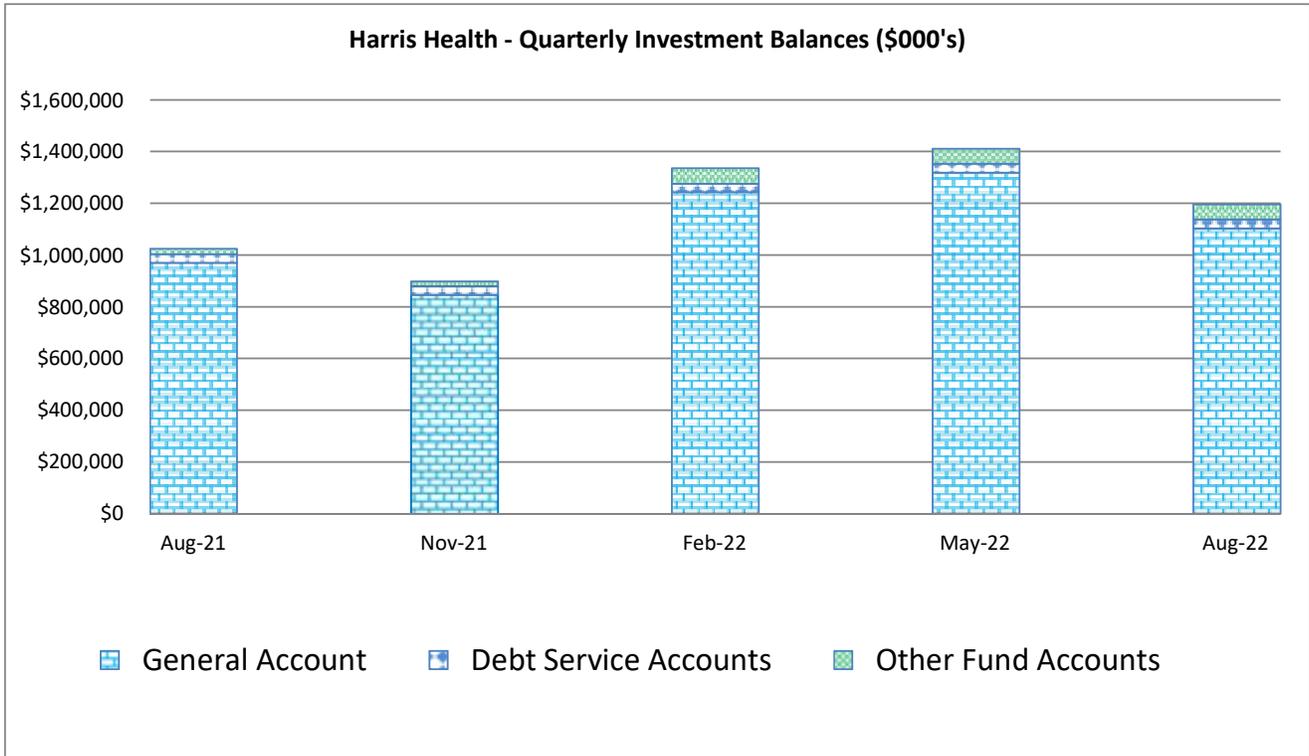
Administration recommends that the Board accept the Second Quarter Investment Report for the period ended August 31, 2022.

**HARRIS COUNTY HOSPITAL DISTRICT
dba HARRIS HEALTH SYSTEM**

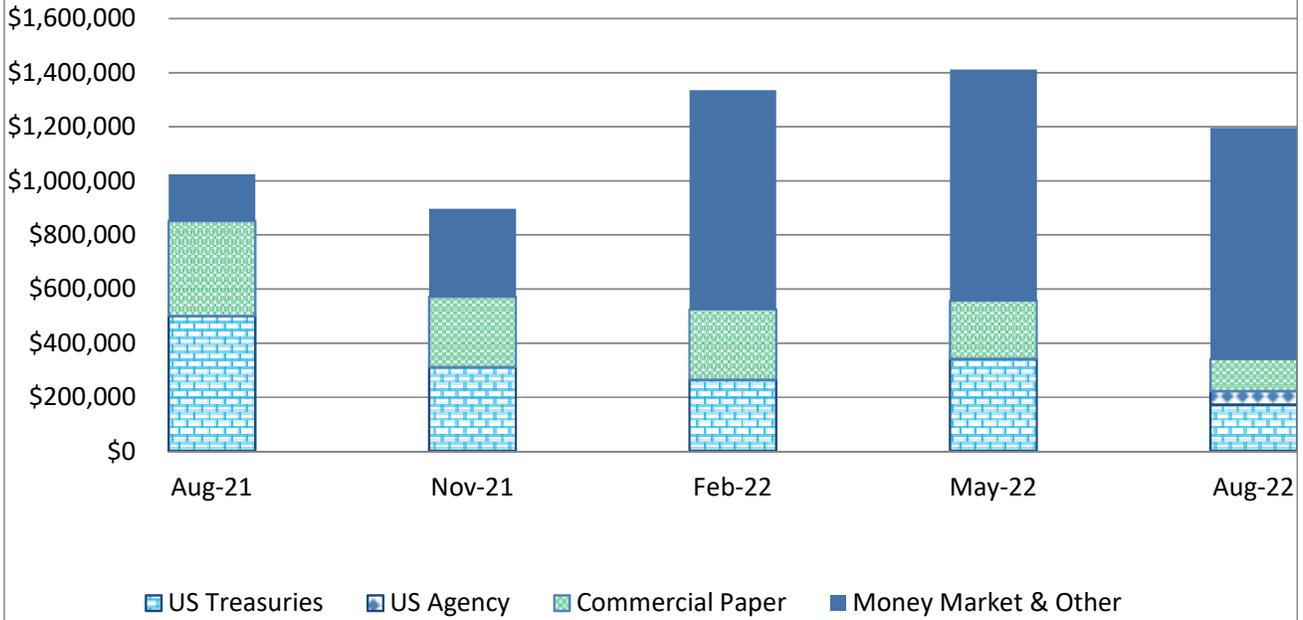
INVESTMENT REPORT

As of August 31, 2022

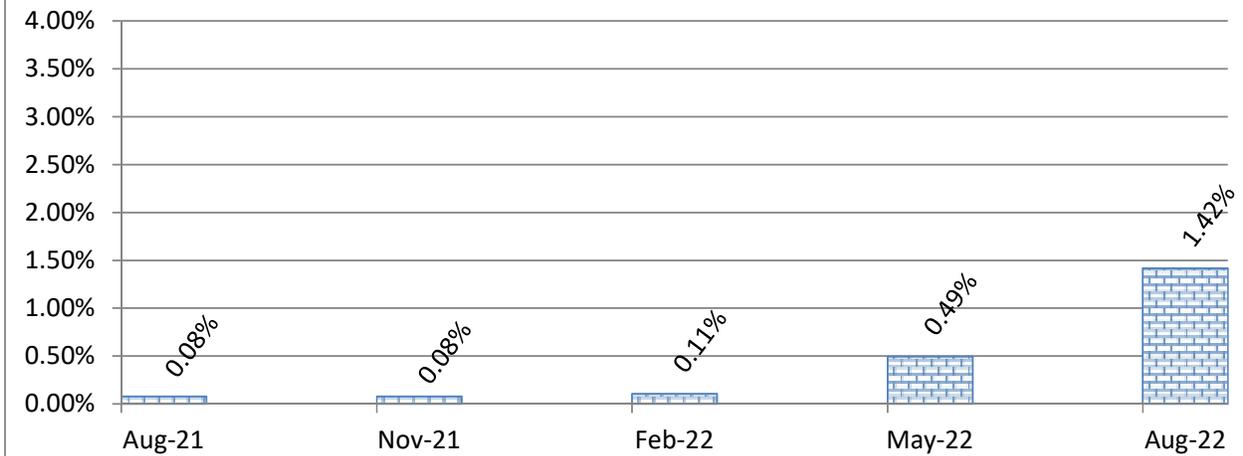
- Executive Summary Charts and Quarterly Trend Schedule for Harris Health System
- Quarter End Investment Report from Harris County Office of Financial Management



Harris Health - Quarterly Earnings (\$000's)



Harris Health - Quarterly Average Earnings %



HARRIS HEALTH SYSTEM

QUARTERLY INVESTMENT REPORT SECOND QUARTER 2022

PREPARED BY:
OFFICE OF MANAGEMENT AND BUDGET
FINANCIAL MANAGEMENT

The report is presented in accordance with the Texas Government Code - Public Funds Investment Act, Section 2256.023. Financial Management certifies that to the best of our knowledge that Harris Health System is in compliance with the provisions of Government Code 2256 and with the stated policies and strategies of Harris Health System.



Amy Perez
Deputy Executive Director, OMB



Diana Elizondo
Investment Manager



Mark LaRue
Financial Analyst

Table of Contents

Section I: Summary of Portfolio Balances & Characteristics

Section II: Total Rate of Return vs. Benchmark

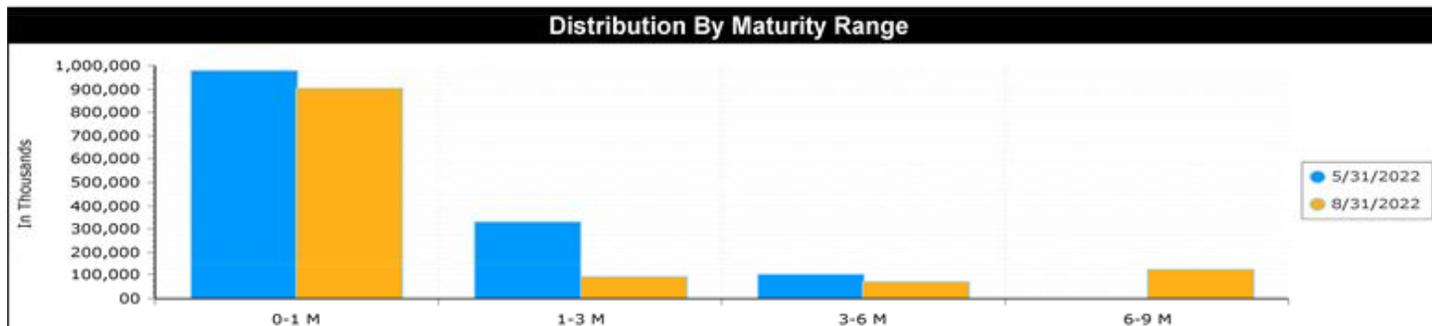
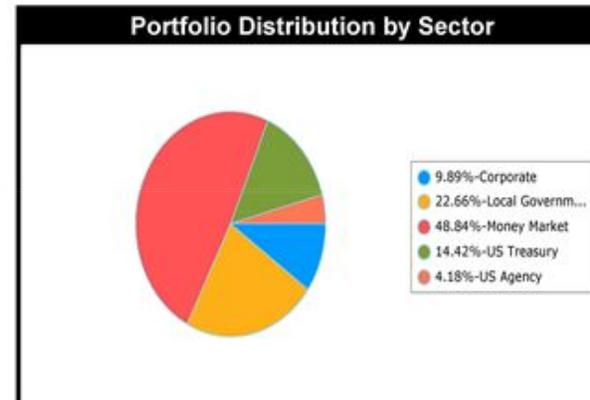
Section III: Current Portfolio Holdings & Quarterly Income

Summary of Portfolio Balances & Characteristics

May 31, 2022 through August 31, 2022

Book & Market Value Comparison							
Month	Market Value	Book Value	Unrealized Gain/Loss	YTM @ Cost	YTM @ Market	Duration	Days To Maturity
Beginning	1,411,188,193.99	1,411,526,577.02	-338,383.03	0.67	0.79	0.06	24
6/30/2022	1,325,066,227.09	1,325,498,162.49	-431,935.40	0.84	1.07	0.05	18
7/31/2022	1,273,173,582.31	1,273,544,547.12	-370,964.81	1.64	1.96	0.03	10
8/31/2022	1,195,083,376.30	1,195,412,211.03	-328,834.73	1.53	1.68	0.12	40
Average	1,264,441,061.90	1,264,818,306.88	-377,244.98	1.33	1.57	0.07	23

Quarterly Investment Income By Sector		
	Ending BV + Accrued Interest	Investment Income-BV
Certificate of Deposit	\$0.00	\$0.00
Corporate	\$118,358,212.50	\$382,943.05
Local Government Investment Pool	\$270,861,864.58	\$1,539,163.94
Money Market	\$583,719,196.52	\$2,286,775.79
Municipal	\$0.00	\$0.00
US Agency	\$50,000,000.00	\$0.00
US Treasury	\$172,744,506.73	\$444,631.16
Total	\$1,195,683,780.33	\$4,653,513.94

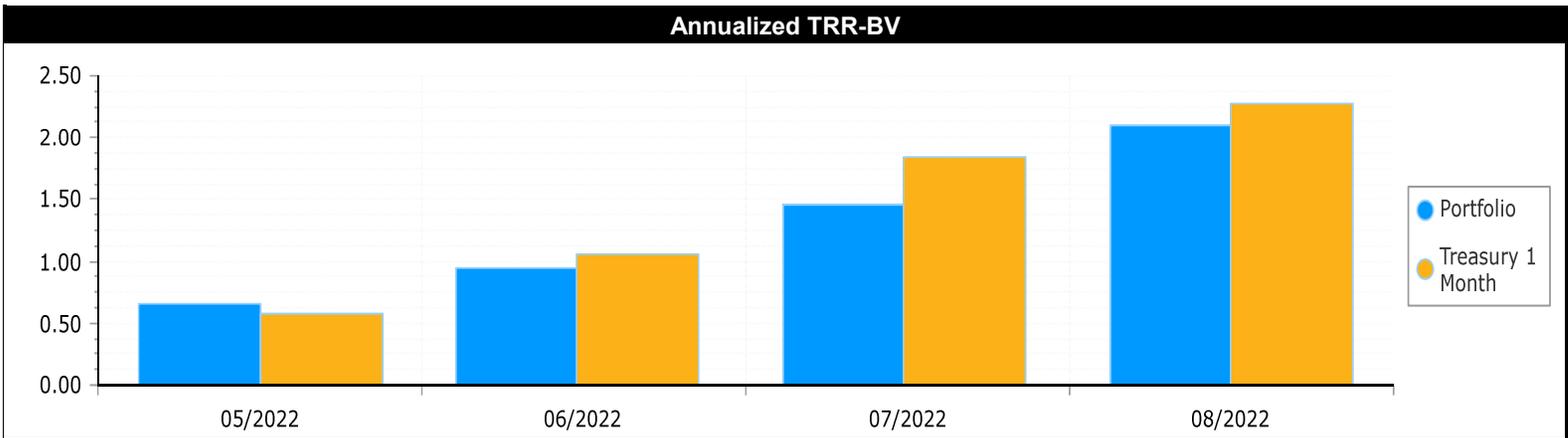


Total Rate of Return vs. Benchmark 1 Month Treasury

May 31, 2022 through August 31, 2022



Month	Beginning BV + Accrued Interest	Interest Earned During Period-BV	Realized Gain/Loss-BV	Investment Income-BV	Average Capital Base-BV	TRR-BV	Annualized TRR-BV	Treasury 1 Month
Beginning	1,533,182,637.75				1,484,788,321.06	0.06	0.67	0.58
6/30/2022	1,411,526,577.02	1,066,057.05	0.00	1,066,057.05	1,342,018,816.40	0.08	0.96	1.06
7/31/2022	1,325,498,162.49	1,501,803.85	0.00	1,501,803.85	1,242,092,091.04	0.12	1.46	1.85
8/31/2022	1,273,544,547.12	2,085,623.33	0.00	2,085,623.33	1,200,852,454.74	0.17	2.10	2.28
Total/Average	1,336,856,428.88	4,653,484.23	0.00	4,653,484.23	1,261,654,454.06	0.12	1.51	1.73





Current Portfolio Holdings and Earnings

Begin Date: 5/31/2022, End Date: 8/31/2022

Description	CUSIP/Ticker	Ending Face Amount/Shares	Beginning MV	Ending MV	Ending BV	Investment Income-BV	Ending YTM @ Cost	Maturity Date
H9902 Hospital - General Fund								
H9902 Hospital - Unrestricted Donations DDA MM	D1359	7,085.01	1,544.02	7,085.01	7,085.01	7.09	2.160	N/A
H9902 Hospital - Cadence General Funds DDA MM	D3837	551,100,427.57	50,024,900.91	551,100,427.57	551,100,427.57	1,770,612.27	0.500	N/A
LoneStar Gov H9902 LGIP	LONESTARGH9902	208.85	172,637,033.22	208.85	208.85	122,812.88	2.214	N/A
LoneStar H9902 LGIP	LONESTARH9902	117,649,328.29	185,292,448.02	117,649,328.29	117,649,328.29	582,604.82	2.444	N/A
H9902 Hospital - Cadence General Funds MMF MM	M3837	26,388,093.23	20,803,385.00	26,388,093.23	26,388,093.23	469,760.63	2.000	N/A
H9902 Hospital - HRA Sweep MMF MM	M3845	146,528.26	217,812.67	146,528.26	146,528.26	782.95	2.000	N/A
H9902 Hospital - Cigna Health Benefits MMF MM	M3944	5,087,517.73	12,683,730.24	5,087,517.73	5,087,517.73	41,457.52	2.000	N/A
H9902 Hospital - FSA Plan MMF MM	M3951	389,113.82	401,151.84	389,113.82	389,113.82	1,595.44	2.000	N/A
H9902 Hospital - Donations Sweep MM	M5899	116,292.00	84,493.90	116,292.00	116,292.00	431.42	2.000	N/A
TexasCLASS Gov H9902 LGIP	TXCLASSGOVH9902	0.00	183,901,570.25	0.00	0.00	115,931.14		N/A
TexasCLASS H9902 LGIP	TXCLASSH9902	94,470,117.22	169,000,765.22	94,470,117.22	94,470,117.22	466,488.81	2.379	N/A
T-Bill 0 6/7/2022	912796V89	0.00	49,995,800.00	0.00	0.00	3,645.84		6/7/2022
T-Bill 0 6/9/2022	912796R35	0.00	44,994,510.00	0.00	0.00	4,162.50		6/9/2022
NATX DISC CP 0 6/24/2022	63873KFQ5	0.00	29,980,830.00	0.00	0.00	8,400.00		6/24/2022
T-Bill 0 7/7/2022	912796R68	0.00	44,966,835.00	0.00	0.00	20,581.25		7/7/2022
BNP DISC CP 0 7/8/2022	09659CG85	0.00	49,945,600.00	0.00	0.00	52,777.78		7/8/2022
T-Bill 0 7/21/2022	912796S42	0.00	49,941,500.00	0.00	0.00	24,348.96		7/21/2022
T-Bill 0 7/28/2022	912796S59	0.00	39,946,800.00	0.00	0.00	32,737.78		7/28/2022
TMCC DISC CP 0 8/5/2022	89233HH56	0.00	24,941,425.00	0.00	0.00	53,625.00		8/5/2022
BNP DISC CP 0 8/9/2022	09659CH92	0.00	49,876,500.00	0.00	0.00	107,916.66		8/9/2022
T-Bill 0 8/11/2022	912796L64	0.00	29,938,950.00	0.00	0.00	34,500.00		8/11/2022
NATX DISC CP 0 8/26/2022	63873KHS9	0.00	39,855,640.00	0.00	0.00	57,033.34		8/26/2022
MUFG BK CP 0 9/2/2022	62479MJ20	20,000,000.00	19,914,180.00	19,997,480.00	19,998,400.00	73,600.00	1.447	9/2/2022
T-Bill 0 9/8/2022	912796M71	30,000,000.00	29,906,040.00	29,988,240.00	29,996,293.33	42,626.66	0.566	9/8/2022
T-Bill 0 10/6/2022	912796M89	20,000,000.00	19,909,060.00	19,957,220.00	19,987,975.00	30,730.55	0.612	10/6/2022
T-Bill 0 11/17/2022	912796W62	40,000,000.00	0.00	39,770,240.00	39,844,000.00	150,000.00	1.839	11/17/2022
MUFG BK CP 0 1/31/2023	62478YNX2	35,000,000.00	0.00	34,491,870.00	34,546,312.50	20,756.94	3.092	1/31/2023
SANTANDER BK UK DISC CP 0 1/31/2023	80285QNX4	40,000,000.00	0.00	39,395,280.00	39,413,500.00	3,833.33	3.502	1/31/2023
FHLB 3.25 4/20/2023-22	3130AT4Y0	50,000,000.00	0.00	49,969,800.00	50,000,000.00	0.00	3.250	4/20/2023
MUFG BK CP 0 4/28/2023	62479MRU9	25,000,000.00	0.00	24,367,650.00	24,400,000.00	5,000.00	3.689	4/28/2023
T-Note 1.625 4/30/2023	912828R28	50,000,000.00	0.00	49,435,550.00	49,482,606.74	4,345.88	3.206	4/30/2023
Sub Total/Average H9902 Hospital - General Fund		1,105,354,711.98	1,319,162,505.29	1,102,728,041.98	1,103,023,799.55	4,303,107.44	1.486	
H9906 Hospital - SPFC								
H9906 Hospital - SPFC Money Market MM	M3936	48,015.28	50,812.57	48,015.28	48,015.28	217.64	2.000	N/A
TexasCLASS H9906 LGIP	TXCLASSH9906	877,375.52	873,621.73	877,375.52	877,375.52	3,753.79	2.379	N/A
Sub Total/Average H9906 Hospital - SPFC		925,390.80	924,434.30	925,390.80	925,390.80	3,971.43	2.360	
H9917 Hospital - Debt Service 2010								
H9917 Hospital - Series 2010 DS Sweep MMF MM	M3993	29,312.15	29,233.44	29,312.15	29,312.15	128.42	2.000	N/A
TexasCLASS H9917 LGIP	TXCLASSH9917	20,272.29	20,185.58	20,272.29	20,272.29	86.71	2.379	N/A

Description	CUSIP/Ticker	Ending Face Amount/Shares	Beginning MV	Ending MV	Ending BV	Investment Income-BV	Ending YTM @ Cost	Maturity Date
T-Bill 0 10/6/2022	912796M89	6,400,000.00	6,370,899.20	6,386,310.40	6,392,686.72	18,689.49	1.165	10/6/2022
Sub Total/Average H9917 Hospital - Debt Service 2010		6,449,584.44	6,420,318.22	6,435,894.84	6,442,271.16	18,904.62	1.173	
H9918 Hospital - Debt Service Reserve 2010								
H9918 Hospital - Series 2010 DSR Sweep MMF MM	M4017	43,536.96	43,420.05	43,536.96	43,536.96	190.75	2.000	N/A
TexasCLASS H9918 LGIP	TXCLASSH9918	22,582.70	22,486.08	22,582.70	22,582.70	96.62	2.379	N/A
T-Bill 0 10/6/2022	912796M89	6,000,000.00	5,972,718.00	5,987,166.00	5,993,143.80	17,521.40	1.165	10/6/2022
Sub Total/Average H9918 Hospital - Debt Service Reserve 2010		6,066,119.66	6,038,624.13	6,053,285.66	6,059,263.46	17,808.77	1.176	
H9920 Hospital - Debt Service 2016 Rev & Ref								
H9920 Hospital - Series 2016 DS Sweep MMF MM	M4009	67,679.39	67,497.66	67,679.39	67,679.39	296.54	2.000	N/A
TexasCLASS H9920 LGIP	TXCLASSH9920	23,651.11	23,549.93	23,651.11	23,651.11	101.18	2.379	N/A
T-Bill 0 10/6/2022	912796M89	10,200,000.00	10,153,620.60	10,178,182.20	10,188,344.46	29,786.38	1.165	10/6/2022
Sub Total/Average H9920 Hospital - Debt Service 2016 Rev & Ref		10,291,330.50	10,244,668.19	10,269,512.70	10,279,674.96	30,184.10	1.173	
H9921 Hospital - Debt Service Reserve 2016 Rev & am								
H9921 Hospital - Series 2016 DSR Sweep MMF MM	M4033	119,777.99	119,456.36	119,777.99	119,777.99	524.83	2.000	N/A
T-Bill 0 10/6/2022	912796M89	10,600,000.00	10,551,801.80	10,577,326.60	10,587,887.38	30,954.47	1.165	10/6/2022
Sub Total/Average H9921 Hospital - Debt Service Reserve 2016 Rev & am		10,719,777.99	10,671,258.16	10,697,104.59	10,707,665.37	31,479.30	1.175	
H9924 Hospital - Capital Assets Series 2020								
H9924 Hospital - Capital Assets Ser 2020 Sweep MMF	M6228	161,274.21	160,841.15	161,274.21	161,274.21	706.67	2.000	N/A
TexasCLASS H9924 LGIP	TXCLASSH9924	12,571,195.99	12,517,410.61	12,571,195.99	12,571,195.99	53,785.38	2.379	N/A
Sub Total/Average H9924 Hospital - Capital Assets Series 2020		12,732,470.20	12,678,251.76	12,732,470.20	12,732,470.20	54,492.05	2.375	
H9925 Hospital - Capital Gift Proceeds								
H9925 Hospital - Capital Gift Proceeds Sweep MM	M1367	14,542.92	14,503.94	14,542.92	14,542.92	63.62	2.000	N/A
TexasCLASS H9925 LGIP	TXCLASSH9925	45,227,132.61	45,033,630.00	45,227,132.61	45,227,132.61	193,502.61	2.379	N/A
Sub Total/Average H9925 Hospital - Capital Gift Proceeds		45,241,675.53	45,048,133.94	45,241,675.53	45,241,675.53	193,566.23	2.379	
Total / Average		1,197,781,061.10	1,411,188,193.99	1,195,083,376.30	1,195,412,211.03	4,653,513.94	1.522	

Thursday, November 10, 2022

Consideration of Acceptance of the Harris Health System Third Quarter
Calendar Year 2022 Pension Plan Report

Attached for your review and acceptance is the Third Quarter Calendar Year 2022 Pension Plan Report for the period July - September 2022.

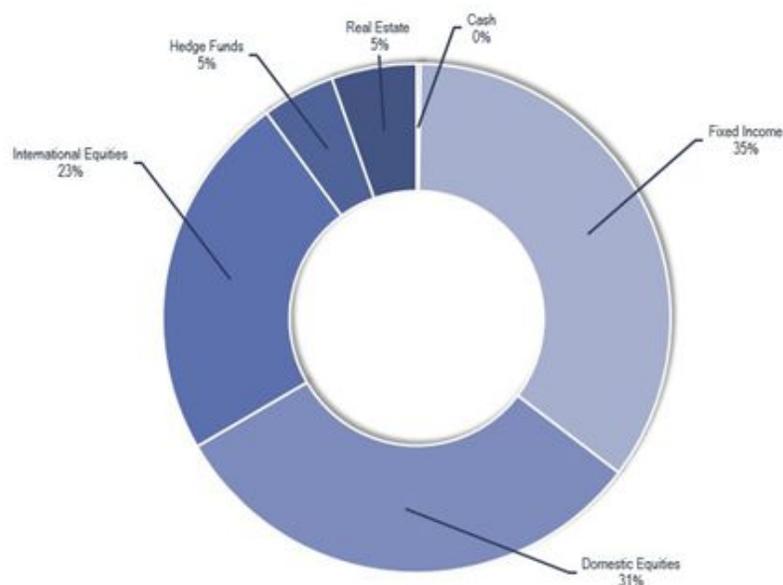
Administration recommends that the Board accept the Third Quarter Pension Plan Report for the period ended September 30, 2022.

Pension Plan Summary

For the Quarter Ended and Year to Date September 30, 2022

	YEAR-TO-DATE	QUARTERLY			YEAR-TO-DATE
	12/31/21	03/31/22	06/30/22	09/30/22	09/30/22
Investment Return	9.7%	-5.9%	-11.4%	-4.8%	-21.9%
Market Value of Assets (in millions)	\$ 966.4	\$ 911.6	\$ 808.9	\$ 776.2	\$ 776.2
Employer Contributions (in millions)	\$ 57.0	\$ 14.7	\$ 9.9	\$ 20.2	\$ 44.8
Benefit Payments (in millions)	\$ 53.3	\$ 13.8	\$ 14.1	\$ 14.2	\$ 42.1
Funded Ratio	86.2%	80.8%	68.4%	0.0%	80.8%

Current Asset Allocation:



Market Updates:

The market value of the Plan assets decreased \$32.7 million this quarter and \$190.2 million since the beginning of the calendar year. Investment return was -4.8% for the quarter ended September 30, 2022, due to the following market conditions:

- During the third quarter of 2022, capital markets were dominated by geopolitical uncertainty and higher interest rates amidst soaring inflation. Volatility remained elevated throughout the quarter. Yields trended higher with major central banks indicating an aggressive monetary policy stance to control rising inflation.
- After initially rebounding early in the quarter on the back of better-than-expected earnings and a fall in inflation expectations, equities ended the quarter with significant losses as rising interest rates weighed on valuations. U.S. equities performed the best of the major regions, followed by developed ex.-U.S. equities and emerging markets equities. Non-U.S. equities suffered from energy headwinds, China struggles, and U.S. dollar strength.
- Global bonds ended down for the quarter after a volatile period that began with unfounded expectations of a pivot from central banks on the back of a looming recession. Expectations of softer future rate hikes dried up as all major central banks reaffirmed their commitment to higher rates until inflation is curbed.

*The Plan was in compliance with target asset allocations per the Board approved Pension Plan Investment Policy.

Thursday, November 10, 2022

Executive Session

Discussion Regarding the 2023 Operating Budget for Community Health Choice Texas, Inc. and Community Health Choice, Inc.; and Review of the 2022 Financial Performance for the Nine Months Ending September 30, 2022, Pursuant to Tex. Gov't Code Ann. §551.085 and Tex. Gov't Code Ann. §551.071, Including Consideration of Approval of the 2023 Operating Budget for Community Health Choice Texas, Inc. and Community Health Choice, Inc. Upon Return to Open Session

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BOARD OF TRUSTEES

Compliance and Audit Committee

Thursday, November 10, 2022
10:00 A.M.

BOARD ROOM
4800 Fournace Place, Bellaire, Texas 77401

The meeting may be viewed online at: <http://harrishealthtx.swagit.com/live>

Notice: Some Board Members may participate by videoconference.

Mission

Harris Health is a community-focused academic healthcare system dedicated to improving the health of those most in need in Harris County through quality care delivery, coordination of care, and education.

AGENDA

- | | | |
|---|----------------------------|-----------------|
| I. Call to Order and Record of Attendance | Ms. Barbie Robinson | 2 min |
| II. Presentation of the Harris Health System Independent Auditor’s Pre-audit Communication for the Stub Year Ended September 30, 2022
<i>– Mr. Chris Clark, Forvis</i> | | 10 min |
| III. Presentation of the Harris Health System Internal Audit Annual Status Update – Ms. Errika Perkins, Chief Assistant County Auditor and Ms. Sharon Brantley Smith, Audit Director | | 10 min |
| IV. Consideration of Approval of Harris Health System Internal Audit Charter
<i>– Ms. Errika Perkins, Chief Assistant County Auditor and Ms. Sharon Brantley Smith, Audit Director</i> | | 10 min |
| V. Executive Session | Ms. Barbie Robinson | 55 min |
| A. Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA, Other Federal and State Healthcare Program Requirements, and an Update on the Status of Fraud and Abuse Investigations, Pursuant to Tex. Health & Safety Code Ann. §161.032, and Possible Action Regarding this Matter Upon Return to Open Session, Including Consideration of Approval for Compliance and Accreditation’s Audit Plans for FY23 and Enterprise Risk Management Plan Upon Return to Open Session – Ms.Carolynn Jones | | <i>(30 min)</i> |

-
- B. Discussion Regarding Harris County Internal Audit Report on FY2023 Annual Risk Assessment and Audit Plan Process, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §151.002, Tex. Gov't Code §418.183 and Tex. Gov't Code §551.089, Including Consideration of Approval of FY2023 Internal Audit Plan Upon Return to Open Session
– **Ms. Errika Perkins, Chief Assistant County Auditor and Ms. Sharon Brantley Smith, Audit Director** (10 min)
- C. Discussion Regarding Harris County Internal Audit Report on Telemedicine, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007 and Tex. Occ. Code Ann. §151.002 – **Ms. Errika Perkins, Chief Assistant County Auditor and Ms. Sharon Brantley Smith, Audit Director** (10 min)
- D. Discussion Regarding Harris County Internal Audit Report on the Engagement to Facilitate Harris Health's Implementation of Recommendations from Alvarez and Marsal's Gap Assessment, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002 – **Ms. Errika Perkins, Chief Assistant County Auditor and Ms. Sharon Brantley Smith, Audit Director** (5 min)

- VI. Reconvene **Ms. Barbie Robinson 2 min**
- VII. Adjournment **Ms. Barbie Robinson 1 min**

Thursday, November 10, 2022

**Presentation of the Harris Health System Independent Auditor's Pre-audit
Communication for the Stub Year Ended September 30, 2022**

Representatives from the external audit firm FORVIS, will provide an overview of the risk assessment and audit plan for the stub year ended September 30, 2022.

A copy of the presentation is attached.

FORVIS

Harris Health

**Pre-Audit Report to the Board of Trustees
September 30, 2022**

FORVIS

Contents

Introductory Matters	1
Planned Scope & Timing of the Audit	2
Auditing & Accounting Matters	4
Audit & Nonaudit Services Performed	4
Consideration of Errors or Fraud	4
FORVIS Qualifications	5

Introductory Matters

The purpose of this report is to summarize various matters relating to our approach to the audit of Harris County Hospital District d/b/a Harris Health System (Harris Health) for the period ended September 30, 2022.

Audit(s) of Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Our audits will be made for the purpose of rendering an opinion on the following financial statements as of and for the period ended September 30, 2022.

Our audit focuses on the likelihood of a material misstatement in the financial statements.

✓ Harris Health – Period Ending September 30, 2022

An audit of the financial statements does not relieve management or the Board of Trustees of their responsibilities.

The purpose of this report is to summarize various matters relating to our approach to the audit of the financial statements of Harris Health as of and for the period ended September 30, 2022 and its compliance with specified requirements applicable to its major federal and state awards.

We will conduct our audit(s) in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the state of Texas Uniform Grant Management Standards (UGMS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Uniform Guidance and UGMS requires that we perform the audit of compliance with types of compliance requirements described in the U.S. Office of Management and Budget Compliance Supplement that are applicable to each major federal and state award program to obtain reasonable rather than absolute assurance about whether noncompliance having a direct and material effect on a major federal or state award program occurred.

Planned Scope & Timing of the Audit

Our audit approach emphasizes the areas of higher risk, focusing on the unique characteristics of the operating environment, the effectiveness of your internal control, and your financial statement amounts and disclosures.

Based on our understanding of your entity and our assessment of your internal control, we plan our audit to achieve the appropriate level of assurance regarding material misstatements and material weaknesses in internal control over financial reporting.

Significant Risks Identified

We have preliminarily identified the following areas of significant risks of material misstatement due to error or fraud and propose to address these areas as described:

- ✓ *Economic risk* - the current healthcare environment continues to be a potential threat and presents difficult circumstances and challenges for the health care industry. The funding received through the Medicaid Section 1115 program also continues to present a challenge to Texas hospitals in estimating revenue.
 - *Planned Audit Approach:* Challenge estimates prepared by management, including the estimated values of patient accounts receivable and settlements from supplemental funding programs. Challenge disclosures regarding Medicaid revenue concentrations and impact of potential changes on future operating results. Challenge disclosures related to supplemental payment programs.
- ✓ *Management override of controls* – the risk that management may override existing and functioning accounting controls is an inherent risk to Harris Health.
 - *Planned Audit Approach:* Review accounting estimates for bias, review selected journal entries and evaluate business rationale for unusual transactions.
- ✓ *Revenue recognition* – revenue cut-off and recognition of supplemental Medicaid payments and Provider Relief Payments pursuant to the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) significantly impact the financial statements of Harris Health.
 - *Planned Audit Approach:* Test revenue cut-off and review the status of open cost reports, review correspondence with intermediaries, review management’s estimate of the fiscal year 2022 cost report settlement. Review estimates associated with Medicaid supplemental funding related balances in conjunction with available external data and subsequent receipts. Review COVID-19 specific expenses and measurement of lost revenue as it relates to the recognition of Provider Relief Fund revenue association with the CARES Act.

- ✓ **Management estimates** – estimates and judgments made by management materially impact financial statement amounts. The following financial statement areas include material estimates made by management:
 - *Net realizable value of patient accounts receivable*
 - *Estimated third-party payer settlements, including Medicaid Waiver settlements*
 - *Estimated professional and general liability accruals.*
 - *Estimated incurred, but not reported, health claims for employees*
 - *Estimated incurred, but not reported, health claims for the Community Health Choice HMOs*
 - *Net pension liability*
 - *OPEB liability*
 - **Planned Audit Approach:** Review management's estimates and challenge methods and assumptions used. Review historical data and consider this data in light of new economic and other developments that might impact the future collections received or payments made. Perform a "look-back" test to challenge management's past estimates, looking for both bias and historical accuracy. Review actuarial valuations, challenge the data used by review of open claims listings and assess actuaries' qualifications.
- ✓ **Information Technology** – Harris Health has a sophisticated and complex ERP which affects multiple areas related to financial reporting
 - **Planned Audit Approach:** Use FORVIS IT specialists to review controls surrounding the implementation process, security and data integrity. Challenge access controls to identify segregation of duties conflicts.
- ✓ **Compliance with Federal and State Funding Requirements** – Harris Health will be subject to the Uniform Guidance and UGMS audit requirements due to receiving and expending federal and state funds.
 - **Planned Audit Approach:** Evaluate compliance with major program's requirements, which will include obtaining an understanding of the internal controls related to the compliance and sampling of populations for compliance in relation to regulations set forth by Uniform Guidance and UGMS

We welcome any input you may have regarding the risk areas identified above, any other significant risk areas in your opinion, or other matters you believe warrant particular attention during the audit.

Auditing & Accounting Matters

We wish to communicate the following significant matters related to the financial statement audit to you that are, in our judgment, relevant to your responsibilities in overseeing the financial reporting process:

Critical Accounting Policies and Practices

- ✓ Accounting for supplemental Medicaid funding
- ✓ Accounting for Provider Relief Funds
- ✓ Internal controls and how those controls are serving to prevent or detect fraudulent activity

Critical Audit Areas

- ✓ Significant estimates
- ✓ Internal control structure

Audit & Nonaudit Services Performed

Nonaudit Services Performed During the Period Ended September 30, 2022.

- ✓ Routine advice regarding new audit standards and unusual accounting matters
- ✓ Assistance with strategic planning forecasting

Consideration of Errors or Fraud

One of the most common questions we receive from those charged with governance is, "How do you address fraud in a financial statement audit?" Our responsibility, as it relates to fraud, in an audit of financial statements is addressed in auditing standards generally accepted in the United States of America.

Our audit approach includes such procedures as:

Engagement Team Brainstorming

- ✓ Discussion among key engagement team members regarding the entity's selection and application of accounting principles, including related disclosure requirements, and how and where the entity's financial statements might be susceptible to material misstatement due to fraud, how management could perpetrate and conceal fraudulent financial reporting, and how assets of the entity could be misappropriated
- ✓ An emphasis is placed on the need to maintain a questioning mind throughout the audit and to exercise professional skepticism in gathering and evaluating evidence

Inquiries of Management and Others

- ✓ Inquiring of the Board of Trustees Chair, the chief executive officer, the chief financial officer, controllers and others within the entity about the risks of material misstatement
- ✓ Inquiries about the risks of material misstatement include specific inquiries regarding fraud risks, such as whether the individual has knowledge of any fraud or suspected fraud affecting the entity

FORVIS Qualifications

Reviewing Accounting Estimates for Bias

Evaluating Business Rationale for Significant Unusual Transactions

Incorporating an Element of Unpredictability Into the Audit Each Year

FORVIS is a top-ten national CPA and advisory firm. Our 530 partner and approximately 5,500 employees are located in 70 markets throughout the United States, United Kingdom and the Cayman Islands, offering solutions for clients in all 50 states and internationally. FORVIS and its subsidiaries offer clients a variety of services in accounting, audit and assurance, tax, risk management, technology, corporate finance, forensic and valuation services and wealth management. We combine the insight and ideas of multiple disciplines to provide solutions in a wide range of industries, including health care, commercial products, financial services, technology and services, private equity, private client, construction and real estate, nonprofit, education and public sector, insurance and dealership organizations.

FORVIS is a member of the AICPA and its three audit quality centers— Center for Audit Quality, Employee Benefit Plan Audit Quality Center, and Government Audit Quality Center. FORVIS is also registered with the PCAOB. Our most recent PCAOB report had no findings, and our most recent peer review report was unqualified with no letter of comments.

FORVIS' health care industry is one of the firm's largest, with over 6,000 health care clients, 950 dedicated team members and 175 partners and managing directors. 35% of our DFW practice revenue is derived from services to the health care industry. FORVIS prepares more hospital cost reports than any other service provider.

We propose the following timeline:

- ✓ Planning – August 2022
 - Communicate risks and accounting issues with Board of trustees
 - Develop audit timeline with management team
 - Compile list of needed schedules to send to management
- ✓ Risk Assessment – August / September 2022
 - Complete review of internal controls documentation
 - Identify key controls
 - Perform interviews of various accounting/finance personnel
 - Information technology controls review
- ✓ Fieldwork, Testing and Audit Procedures – November / December 2022
 - Assess risk of material misstatement for significant financial statement amounts and disclosures
 - Perform substantive tests on material account balances and risk areas.

- Evaluate significant unusual transactions
- Conclude all identified risks of material misstatement have been addressed
- Ask management to correct misstatements the auditor identifies
- ✓ Delivery and Review of Draft Financial Statements, Auditors' Reports and Management Letter – December 2022
 - Work with third parties to obtain any final information needed to complete audit testing
 - Concurring reviewer to review engagement documentation and deliverables
 - Provide draft deliverables to management team for review
- ✓ Presentation to the Board of Trustees and Final Reports – January 2023
 - Present required post-audit communication to the Board of Trustees
 - Discuss results of audit process and present finished audit report and management letter

Ongoing Communication

- Regular communication between the Board of Trustees and the auditors is critical to the success of the audit. Accordingly, the audit team will be available to the Board of Trustees at any time throughout the audit. In addition, there may be instances which require communication during the audit (prior to delivery of the financial statements), such as:
 - Fraud involving senior management
 - Illegal acts
 - Significant deficiencies and/or material weaknesses
 - Material instances of noncompliance for federal award programs

November, 10, 2022

Presentation of Internal Audit Annual Update

Harris County Auditor's Office presentation to the Compliance and Audit Committee of the Internal Audit Annual Update



Internal Audit Annual Update
for the Stub-year March 1 – September 30, 2022

November 10, 2022



Our Mission

Provide independent, objective assurance and consulting services, utilizing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

Our Goal

Serve as a trusted assurance partner by completing at least 75% of the annual Audit Plan by fiscal year-end and providing deliverables that add value and support Harris Health's achievement of its Strategic Plan.

About Our Team



District Court
Judges of Harris
County



Mike Post,
Harris County
Auditor

Ex-Officio CAC
Member



Errika Perkins,
Chief Asst.
County Auditor



Sharon
Brantley-Smith,
HHIA Director



2 Managers, 5
Auditors

Years of Healthcare Experience



Credentials Held by Team	Count
Certified Internal Auditor - CIA	4
Certified Information Systems Auditor - CISA	4
Certified Public Accountant - CPA	3
Certified Fraud Examiner - CFE	3
Certified in Risk Management Assurance - CRMA	1
Certified Government Auditing Professional - CGAP	1
Certified Healthcare Internal Audit Professional - CHIA	1

Post-Engagement Survey



Post-Engagement Survey Summary Results	
(Average Client Response Rate is 33%)	
Harris Health management rated us in the following areas on a 5.0 Scale:	
Your overall impression of the auditor that you or your staff communicated with most frequently	5.0
The audit team's ability to conduct their work with a minimal disruption to your staff's operations	5.0
The audit team's understanding of the overall goals and objectives of your department	5.0
The effectiveness and timeliness of the auditor's addressing your areas of concern(s)	5.0
The timeliness of the issuance of the final report	5.0

Stub-year Audit Plan Status

March 1 – September 30, 2022



Completed Audits (5)

- Physician Credentialing
- Business Continuity and Disaster Recovery Planning
- Cybersecurity Training Compliance
- Telemedicine Audit
- Management Action Plan Follow-up

In-Progress Audits as of October 2022 (4)

- Follow-up on A&M Recommendations
- Procurement Audit
- Correctional Health Mental Health Services Audit (*added September 2022*)
- UT Provider Invoicing Audit

Additional Carryforward to FY 2022 (4)

- Baylor Provider Invoicing Audit
- Vendor Invoice Payment Timeliness Audit
- Medical Device Security Audit

Opportunities: Efforts have been undertaken to streamline internal processes and increase data access to promote efficiency and reduce audit turnaround time without sacrificing audit quality.



Audit Results



Project Name: *Alvarez & Marsal (A&M) Recommendation Follow-up*

Objective: Facilitate the development of corrective action plans (CAPs) and timelines to address A&M's recommendations; track action plan status; and determine whether there is sufficient evidence of the completed actions.

Background

This is a continuous monitoring engagement to facilitate Harris Health System's implementation of 272 recommendations related to 21 topics from Alvarez and Marsal's gap assessment.

Summary Status

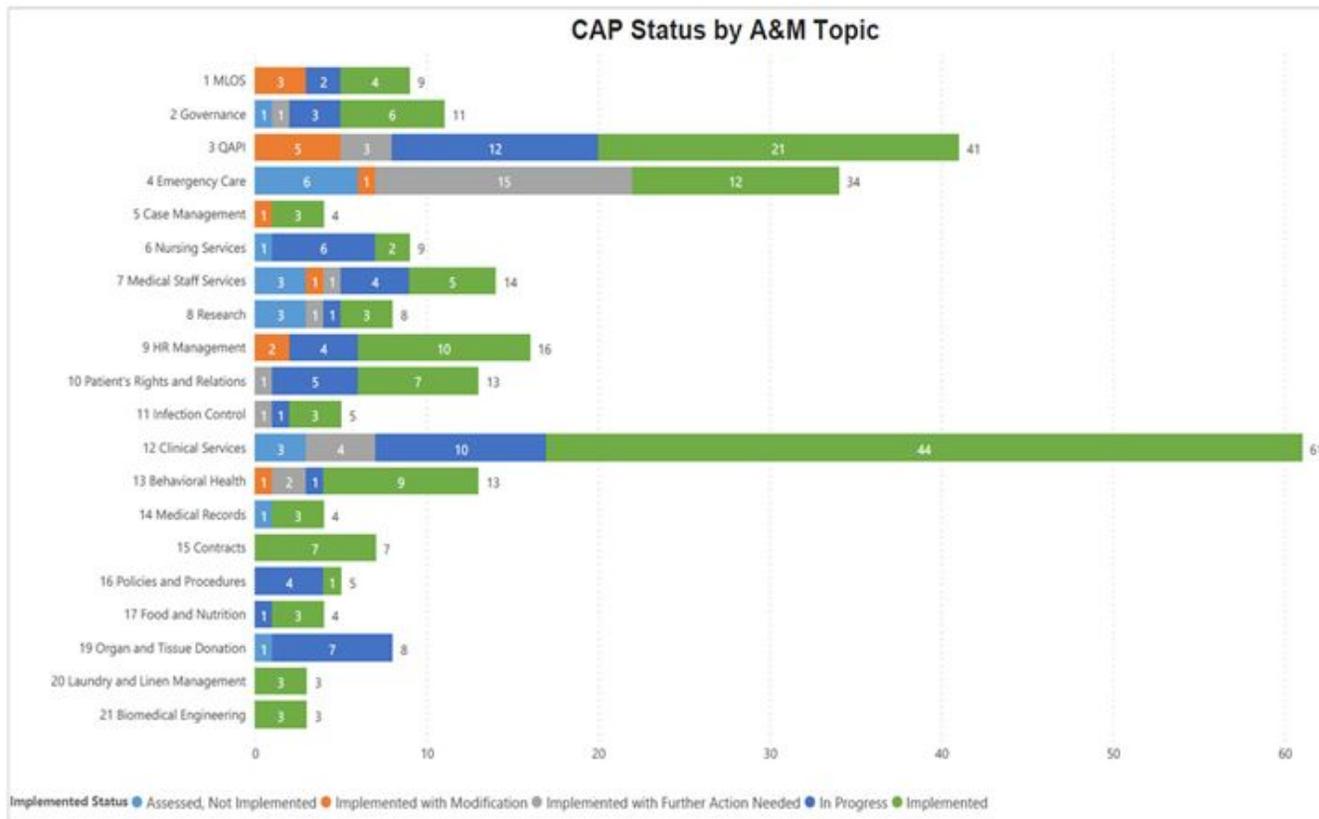


Completion Timeline

Validation work will continue through calendar year 2022, with minimal work expected in 2023.

A&M Corrective Action Plan Status by Topic

The full audit report will be presented in Executive Session.





Project Name: *Telemedicine Audit*

Scope: The audit focused on procedures and data for the period June 1, 2021, through May 31, 2022

Overall Conclusion

There are opportunities to improve certain information technology and security controls over telemedicine applications. Additionally, controls should be enhanced to ensure the appropriate billing modifier is consistently applied to telemedicine claims and patient consent forms are consistently obtained for telemedicine visits.

Objectives

- Evaluate information technology and information security controls for protecting telemedicine patients' privacy and information.
- Assess compliance with applicable policies and regulations for telemedicine coding and billing.

Significant Issues

- An information security risk assessment (ISRA) is needed for one of the telemedicine platforms.
- Independent validation is needed to confirm recommendations from the ISRAs are implemented.

The full audit report will be presented in Executive Session.



Project Name: *Cybersecurity Training Compliance Assessment*

Scope: The audit focused on processes and training data for the period July through August 2022.

Overall Conclusion

Harris Health System complied with the State’s cybersecurity training requirement for 2022. The Information Security Department has developed a comprehensive state-certified cybersecurity training program and 98% of Harris Health employees completed the training by the August 31st deadline.

Objective

Review Harris Health System’s compliance with Texas General Government Code §2054.519, *State Certified Cybersecurity Training Programs*.

Noteworthy Observation

As a result of Information Security’s continued monitoring and follow-up, an additional 105 employees completed the cybersecurity training after the August deadline.

The full audit report is in Appendix B.

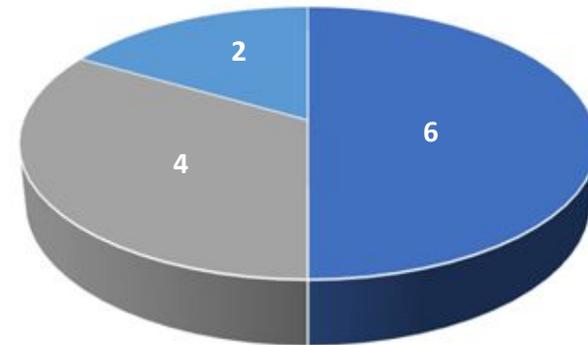
Follow-up on Management Action Plans

At the end of each audit engagement, Internal Audit requests action plans and definitive implementation dates from management for remediating the risks identified during the audit.

Internal Audit follows up to confirm implementation of the management action plans (MAPs) and provides updates to the Compliance and Audit Committee on any past-due MAPs with a HIGH priority for implementation.

Project Name	Total Outstanding MAPs	High Priority Past Due MAPs
Provider Credentialing	6	0
Business Continuity and Disaster Recover Planning	4	0
Patient Safety Incident Reporting	2	0
Total	12	0

Summary of Outstanding MAPs



- Provider Credentialing
- Business Continuity and Disaster Recovery Planning
- Patient Safety Incident Reporting

KNOWLEDGE SHARING

Source: *OIG Medicare Telehealth Data Brief Demonstrates Continued Focus on Data Analytics in Program Integrity Efforts - McDermott Will & Emery (mwe.com)*

OIG MEDICARE TELEHEALTH DATA BRIEF

On September 2, 2022, the US Department of Health and Human Services Office of the Inspector General (OIG) released a data brief analyzing telehealth services covered by Medicare and related program integrity risks. OIG found that of the 742,000 providers evaluated, 1,714 had “concerning billing” on at least one of the seven measures that OIG considers to be potential indicators of fraud, waste and abuse. The seven measures are:

1. Billing for both a telehealth service and a facility fee for most visits (672 providers identified)
2. Always billing telehealth services at the highest, most expensive level (365 providers identified)
3. Billing telehealth services for more than 300 days of the year (328 providers identified)
4. Billing both Medicare fee-for-service and a Medicare Advantage plan for the same service for a high proportion of services (138 providers identified)
5. Billing more than two hours of telehealth services per visit (86 providers identified)
6. Billing telehealth services for at least 2,000 beneficiaries in a year (76 providers identified)
7. Billing for a telehealth service and ordering medical equipment for at least half of beneficiaries (67 providers identified).

Recommendations

Based on its findings, OIG recommended that **CMS should:**

- ✓ Strengthen monitoring and targeted oversight of telehealth services.
- ✓ Provide additional education to providers on appropriate billing for telehealth services.
- ✓ Improve the transparency of “incident to” services when clinical staff primarily delivered the telehealth service.
- ✓ Identify companies that bill Medicare.
- ✓ Follow up on the providers identified in the OIG data brief.

Providers should:

- ✓ Continue to ensure that telehealth services are properly billed in accordance with applicable billing policies.
- ✓ As the COVID-19 public health emergency continues to evolve, be aware of flexibilities that may be modified or cease to exist and should update their billing practices accordingly.

APPENDIX

Report – Cybersecurity Training Compliance Assessment

AUDITOR'S REPORT

CYBERSECURITY TRAINING COMPLIANCE



October 10, 2022

**Michael Post, C.P.A., M.B.A.
Harris County Auditor**

Leslie Wilks Garcia, C.P.A., M.Jur.
First Assistant County Auditor



1001 Preston, Suite 800
Houston, Texas 77002-1817
(832) 927-4600

Errika Perkins, C.P.A., C.I.A.
Chief Assistant County Auditor
Audit Division

Fax (713) 755-8932
Help Line (832) 927-4558

MICHAEL POST, C.P.A., M.B.A.
HARRIS COUNTY AUDITOR

October 10, 2022

Dear Jeffrey Vinson, Senior Vice President, Chief Cyber & Information Security Officer:

Harris Health System Internal Audit (HHSIA) completed the Cybersecurity Training Compliance Assessment for the reporting year 2022. The objective of the engagement was to review Harris Health System's (Harris Health) compliance with Texas General Government Code 2054.519, *State Certified Cybersecurity Training Programs*. The specific requirements are as follows:

- Annually, local government employees who have access to a local government computer system and use a computer to perform at least 25 percent of their required duties must complete a certified cybersecurity training program.
- The local government must verify and report on compliance of the program.

No reportable issues were noted during the assessment and the following was confirmed:

- Harris Health's Information Security Department (Information Security) has developed a comprehensive cybersecurity training program that was certified by the Texas Department of Information Resources and is required for all active employees.
- Harris Health certified to The Texas Department of Information Resources by August 31st that 9,572 (98%) of 9,748 employees had completed the training. Internal Audit independently validated this compliance rate.
- As a result of Information Security's continued monitoring and follow up, an additional 105 employees had completed the training as of October 5, 2022.

We appreciate the time and attention provided by you and your staff during this engagement. Please expect an email request to complete a Post-Engagement Survey. We look forward to your feedback. If you have any questions, please contact Errika Perkins, Chief Assistant County Auditor (713-274-5673) or me.

Sincerely,

A handwritten signature in blue ink that reads "Michael Post".

Michael Post
County Auditor

cc: Dr. Esmaeil Porsa
Louis Smith
Carolynn Jones
Victoria Nikitin

Omar Reid
Gary L. Marsh
Tom Oduor
L. Sara Thomas

Thank You



Errika Perkins, MBA, CPA, CIA, CFE
Chief Assistant County Auditor, Audit Division
Errika.Perkins@harrishealth.org
Cell: 713-930-7876

Sharon Brantley Smith, MBA, CIA, CFE, CISA
Audit Director, Audit Division
Sharon.BrantleySmith@harrishealth.org
Cell: 832-679-6004



Thursday, November 10, 2022

Consideration for Approval: Internal Audit Charter

Per the Harris Health System Board of Trustees Compliance and Audit Committee Charter, the Board is required to annually review and recommend approval of the Internal Audit Activity Charter. The red-lined charter is included on the subsequent pages for review and approval.

1200 – HARRIS HEALTH SYSTEM AUDIT CHARTER

INTRODUCTION

An interlocal agreement between Harris County and Harris Health System dedicates a portion of the Harris County Auditor's Office Audit Division to Harris Health. While serving in this capacity as Harris Health Internal Auditors, the Audit Executive reports to the Harris Health Board of Trustees' Compliance and Audit Committee (CAC). As a result, a separate audit charter has been created.

1200.01 PURPOSE

The purpose of Harris Health Internal Audit (HHIA) is to provide independent, objective assurance and consulting services designed to add value and improve Harris Health System's operations.

The mission of HHIA is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. HHIA helps Harris Health accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve effectiveness of governance, risk management, and control processes.

1200.02 STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING

Harris County Auditor's Office Audit Division (Audit Division) is governed by adherence to the mandatory elements of The Institute of Internal Auditor's Professional Practices Framework (IPPF), including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing (Standards), and the Definition of Internal Auditing. ~~Internal Audit~~HHIA will also consider the IPPF's recommended and supplemental guidance for insight on how to execute compliance efficiently and effectively with the mandatory elements of the IPPF. The Chief Assistant County Auditor of the ~~internal audit department~~Audit Division, as appointed by the Harris County Auditor, is the Chief Audit Executive for Harris Health. The Chief Audit Executive will report periodically to the County Auditor, Harris Health senior management, and the ~~Board~~ CAC regarding ~~the internal audit department's~~HHIA's conformance to the Code of Ethics and the Standards.

1200.03 AUTHORITY

The Chief Audit Executive will report functionally to the ~~Board~~CAC and administratively to the County Auditor. To establish, maintain, and assure that Harris Health's Internal Audit has sufficient authority to fulfill its duties, the Board will:

- Approve the internal audit department's charter.
- Approve the risk-based internal audit plan.
- Approve the internal audit department's budget and resource plan.

- Receive communications from the Chief Audit Executive on the internal audit department's performance relative to its plan and other matters.
- Make appropriate inquiries ~~of County Officials and the Audit Executive~~ to determine whether there are inappropriate scope or resource limitations.

The Chief Audit Executive will have unrestricted access to communicate and interact directly with the Board of Trustees and/or the CAC, including private meetings without management present as allowed by statute.

The Board authorizes HHIA ~~the internal audit department~~ to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from the necessary personnel of Harris Health, as well as other specialized services from within or outside Harris Health, to complete the engagement.

1200.04 INDEPENDENCE AND OBJECTIVITY

The Chief Audit Executive will ensure that ~~the internal audit department~~HHIA remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Chief Audit Executive determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous two years
- Performing any operational duties for Harris Health or its affiliates
- Initiating or approving transactions external to the internal audit department
- Directing the activities of any Harris Health employee not employed by the internal audit department, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors

Where the Chief Audit Executive has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

~~Internal auditors~~HHIA will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The Chief Audit Executive will confirm to the CAC, Board, at least annually, the organizational independence of ~~the internal audit department~~HHIA.

1200.05 SCOPE OF INTERNAL AUDIT ACTIVITIES

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the ~~Board~~CAC, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for Harris Health. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of Harris Health's financial strategic objectives are appropriately identified and managed
- The actions of Harris Health's officers, directors, employees, and contractors comply with Harris Health's policies, procedures, and applicable laws, regulations, and governance standards
- The results of operations or programs are consistent with established goals and objectives
- Operations or programs are being carried out effectively and efficiently
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Harris Health
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity
- Resources and assets are acquired economically, used efficiently, and protected adequately

The Chief Audit Executive will report periodically to senior management and the Board-CAC regarding:

- The internal audit department's purpose, authority, and responsibility
- The internal audit department's plan and performance relative to its plan

- The internal audit department's conformance with The IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the County Auditor, and/or the Board
- Results of audit engagements or other activities
- Resource requirements
- Any response to risk by management that may be unacceptable to Harris Health

The Chief Audit Executive also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The internal audit department may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the internal audit department does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

1200.06 RESPONSIBILITY

The Chief Audit Executive has the responsibility to:

- Submit, at least annually, to the County Auditor and the ~~Board-CAC~~ a risk-based internal audit plan for review and approval.
- Communicate to the County Auditor and the ~~Board-CAC~~ the impact of resource limitations on the internal audit plan.
- Review and adjust the internal audit plan, as necessary, in response to changes in Harris Health's statutory requirements, risks, operations, programs, systems, and controls.
- Communicate to the County Auditor, senior management, and the ~~Board-CAC~~ any significant interim changes to the internal audit plan.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow up on engagement findings and corrective actions, and report periodically to senior management and the Board any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the internal audit department collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter.

- Ensure trends and emerging issues that could impact Harris Health are considered and communicated to ~~the County Auditor,~~ senior management, and the [BoardCAC](#), as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the internal audit department.
- Ensure adherence to Harris Health's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to the County Auditor, senior management, and the Board.
- Ensure the internal audit department's conformance with the Standards, with the following qualifications:
 - If the internal audit department is prohibited by law or regulation from conformance with certain parts of the Standards, the Chief Audit Executive will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.

1200.07 QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

~~The internal audit department~~[HHIA](#) will maintain a quality assurance and improvement program that covers all aspects of the internal audit department. The program will include an evaluation of the internal audit department's conformance with the Standards and an evaluation of whether internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the internal audit department and identify opportunities for improvement.

The Chief Audit Executive will communicate to the County Auditor, senior management and the ~~Board-CAC~~ on the internal audit department's quality assurance and improvement program, including results of external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside Harris Health.

Thursday, November 10, 2022

Executive Session

Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA, Other Federal and State Healthcare Program Requirements, and an Update on the Status of Fraud and Abuse Investigations, Pursuant to Tex. Health & Safety Code Ann. §161.032, and Possible Action Regarding this Matter Upon Return to Open Session, Including Consideration of Approval for Compliance and Accreditation's Audit Plans for FY23 and Enterprise Risk Management Plan

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Thursday, November 10, 2022

Executive Session

Discussion Regarding Harris County Internal Audit Report on FY2023 Annual Risk Assessment and Audit Plan Process, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §151.002, Tex. Gov't Code §418.183 and Tex. Gov't Code §551.089

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Thursday, November 10, 2022

Executive Session

Discussion Regarding Harris County Internal Audit Report on Telemedicine, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007 and Tex. Occ. Code Ann. §151.002

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Thursday, November 10, 2022

Executive Session

Discussion Regarding Harris County Internal Audit Report on the Engagement to Facilitate Harris Health's Implementation of Recommendations from Alvarez and Marsal's Gap Assessment, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002

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